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# UKRAINE LOCAL GOVERNANCE PROJECT WHOLE-OF-PROJECT EVALUATION

## Final Report



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## Final Report

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# TABLE OF CONTENTS

Abstract	v
Acronyms	vi
Executive Summary	vii
Evaluation Purpose and Questions	vii
Background and Context	vii
Evaluation Methods and Limitations	viii
Findings and Conclusions	viii
Recommendations	xi
I. Evaluation Purpose and Questions	I
Evaluation Purpose	I
Evaluation Questions	I
II. Project Background and Context	2
III. Evaluation Methodology and Limitations	4
Methodology	4
Analysis	5
Risks and Limitations	6
IV. Findings and Conclusions	7
Findings for EQ 1	7
Conclusions for EQ 1	12
Findings for EQ 2	12
Conclusions for EQ 2	17
Findings for EQ 3	19
Conclusions for EQ 3	22
Findings for EQ 4	23
Conclusions for EQ 4	24
Findings for EQ 5	25
Conclusions for EQ 5	27
V. Recommendations	30
Recommendations for EQ1	30
Recommendations for EQ2	30
Recommendations for EQ3	31
Recommendations for EQ4	32
Recommendations for EQ5	32
VI. Lessons Learned	33
VII. Annexes	34

## TABLES AND FIGURES

Table 1: Interviews by Respondent Category (not including survey respondents)	4
Table 2: Most Important Factors for LGP Framework by Survey Respondents	7
Table 3: Changes Occurred as a Result of Decentralization Reform by Survey Respondents (%)	9
Figure 1: LGP Activities and Intended Results	3
Figure 2: Data Collection Locations, April 2019	5
Figure 3: LGP Hypothesis	7

## ABSTRACT

This final whole-of-project evaluation of the Local Governance Project (LGP) examines the soundness of the LGP theory of change, collaboration among USAID implementing mechanisms, and possible adjustments to USAID/Ukraine's approach to supporting local governance in Ukraine. LGP was launched in 2015 with three activities: Policy for Ukraine Local Self-Governance (PULSE), Decentralization Offering Better Results and Efficiency (DOBRE), and Municipal Finance Strengthening Initiative-II (MFSI-II). Using a mixed-methods approach, the evaluation team reviewed relevant documents, surveyed key informants and residents of assisted municipalities, and interviewed 156 key informants during three weeks of fieldwork in 21 municipalities across seven oblasts. The evaluation concluded that the development hypothesis is largely valid and could be further refined. LGP helped to strengthen local governance in Ukraine through its three activities and made significant progress toward realizing expected results. USAID/Ukraine provided support for creating a legal basis for consolidation; providing technical advice for central, regional, and local authorities; and introducing practical models and tools at the municipal level. However, there was not close cooperation between the two main activities, PULSE and DOBRE, in helping local governments manage resources and services effectively. Additional support in development and adoption of the local governance strategy is needed, and the evaluation identifies five areas for future assistance. This report concludes with 17 recommendations for future USAID support for local governance in Ukraine, including further support for decentralization legislation and municipal capacity development; better coordination between USAID implementers and with other donors; and expanding LGP support to more municipalities.

## ACRONYMS

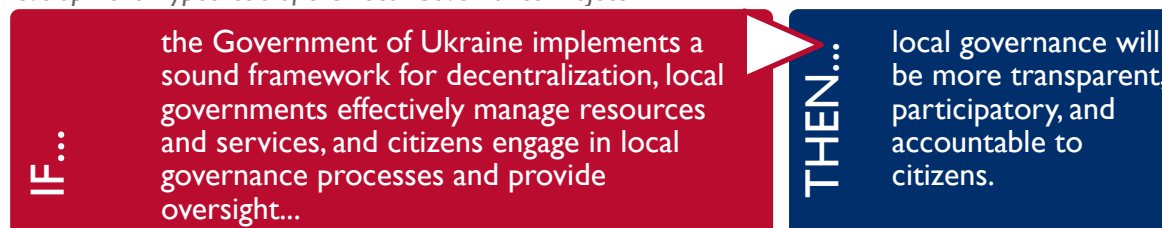
ACTC	Associations of Consolidated Territorial Communities
AUC	Association of Ukrainian Cities
CDCS	Country Development Cooperation Strategy
CMU	Cabinet of Ministers of Ukraine
CSO	Civil society organization
CTC	Consolidated territorial community
DDRU	Decentralization Delivering Results for Ukraine
DESPRO	Swiss-Funded Support to Decentralization in Ukraine
DOBRE	Decentralization Offering Better Results and Efficiency Project
EITI	Extractive Industries Transparency Initiative
EQ	Evaluation questions
EQUI	Evaluation Quality, Use, and Impact
ET	Evaluation team
FSLD	Foundation in Support of Local Democracy
GC	Global Communities
GoU	Government of Ukraine
GSI	Gender and social inclusion
IBSER	Institute for Budgetary and Socio-Economic Research
IDP	Internally displaced person
IREX	International Research & Exchanges Board
KII	Key informant interview
LGP	Local Governance Project
LM	Line ministry
MFSI	Municipal Finance Strengthening Initiative Project
MoF	Ministry of Finance
MRD	Ministry of Regional Development, Construction and Municipal Services of Ukraine
MSAP/UEK	Małopolska School of Public Administration at the Kraków University of Economics
PEA	Political economy analysis
PAD	Project Appraisal Document
PD	Project Description
PLEDDGE	Partnership for Local Economic Development and Democratic Governance
PPB	Performance program budgeting
PULSE	Policy for Ukraine Local Self-Governance Project
PwD	Person with disability
SBO	Social Boost
SI	Social Impact
SME	Small and medium enterprise
SOW	Statement of Work
VRU	Verkhovna Rada of Ukraine (Ukrainian Parliament)
UAH	Hryvnia (Ukrainian Currency)
UCMC	Ukrainian Crisis Media Center
U-LEAD	Ukraine–Local Empowerment, Accountability, and Development Programme
UNDP	United Nations Development Programme
USAID	U.S. Agency for International Development
WOPE	Whole-of-Project Evaluation

# EXECUTIVE SUMMARY

## EVALUATION PURPOSE AND QUESTIONS

The United States Agency for International Development (USAID) hired Social Impact (SI) to conduct this Whole-of-Project Evaluation (WOPE) of the Local Governance Project (LGP) from March to May 2019. Its purpose is “*to examine the soundness of the LGP theory of change, evaluate collaboration among USAID implementing mechanisms, and identify adjustments to USAID’s approach that would more effectively strengthen local governance.*”

*Development Hypothesis of the Local Governance Project*



## EVALUATION QUESTIONS

1. To what extent is the LGP development hypothesis, “IF the GoU implements a sound framework for decentralization, local governments effectively manage resources and services, and citizens engage in local governance processes and provide oversight, THEN local governance will be more transparent, participatory, and accountable to citizens,” valid?
2. To what extent did USAID assistance advance the project purpose of strengthening local governance?
3. To what extent did USAID assistance contribute to the implementation of local government reforms that consolidated communities?
4. How did the DOBRE and PULSE activities collaborate to achieve project Sub-Purpose 2: Local governments effectively manage resources and services that respond to community priorities?
5. To what extent are the types of USAID assistance described in the LGP scope no longer needed in Ukraine?

## BACKGROUND AND CONTEXT

Although the Government of Ukraine (GoU) has been engaged in a decentralization effort for several years and decentralization is considered the most successful reform in Ukraine to date, its implementation faces strong political opposition, and reform is conducted in a fragmented manner and lacks a coherent policy.<sup>1</sup>

The LGP, launched in 2015, consists of three activities: Policy for Ukraine Local Self-Governance (PULSE); Decentralization Offering Better Results and Efficiency (DOBRE), and Municipal Finance Strengthening Initiative-II (MFSI-II). Together, these activities were designed to support the GoU’s efforts to improve the well-being of Ukrainians by strengthening local governance, involving local

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<sup>1</sup> Final report of USAID-funded *Political Economy Analysis (PEA) on Decentralization Reform in Ukraine*, September 2018.



citizens in local resource and budget management, improving the business and investment climate to support local economic and social development, and improving public service provision.

## EVALUATION METHODS AND LIMITATIONS

The evaluation team (ET) reviewed relevant documentation (see *Annex F*) and conducted 156 semi-structured, key informant interviews (KIIs), and held group discussions with USAID/Ukraine and implementer staff, Ukrainian officials at all levels of government, community representatives, and outside experts. The ET also conducted a mini-survey of residents of consolidated communities and a follow-on survey of key informants and collected observations of nine different LGP-sponsored activities or spaces.

Following Kyiv-based consultations, the ET visited 21 communities and municipalities in seven oblasts across Ukraine. Data analysis included contribution analysis to assess contribution of the results and impacts of the LGP initiatives, standard descriptive statistical analysis, various types of qualitative analysis of narrative information, gap analysis, and analysis of the lessons learned. Major evaluation limitations include insufficient time to cover the project's large geographic area; difficulties in accessing certain key informants and some locations; and the timing of the evaluation, which coincided with Ukrainian presidential elections.

## FINDINGS AND CONCLUSIONS

### EVALUATION QUESTION 1

To a large extent, the LGP development hypothesis is valid. Three additional factors could be added to the hypothesis regarding the need for: (1) **availability of drivers of change**; (2) **a critical mass of activists**; and (3) **an enabling environment**.

The next phase of reform should **further develop the decentralization framework** to: (1) clearly define the administrative-territorial system; (2) complete communities' amalgamation; (3) define roles and responsibilities of authorities at different levels to avoid duplication of functions; and (4) clarify different levels of government responsibility for the funding and management of local infrastructure, such as roads and social infrastructure.

The effective management of resources and services delivery at local levels depends on **political will, local drivers of change, and local management capacity**. In general, LGP-assisted communities saw improvements in access to and quality of public services, but results vary depending on the degree to which decentralization efforts are harmonized with sectoral reforms, as well as the priorities and capacities of specific communities.

While local government transparency and citizen engagement in local governance has increased, there remains a **lack of citizen oversight** of local resource management, due to citizens' limited knowledge and skills for conducting oversight.

### EVALUATION QUESTION 2

**The LGP helped to strengthen local governance** in Ukraine and **made significant progress** toward achieving its expected results.

Though PULSE supported the amalgamation process by contributing to the **development of the legal and regulatory basis** for decentralization, the amalgamation process remains incomplete owing to political factors. In line with expected results, PULSE contributed to capacity building and information dissemination across the country using the Association of Ukrainian Cities (AUC)

network and a network launched by its partner, the International Research & Exchanges Board (IREX). PULSE also contributed to local economic development and increased local government resources. Representatives of smaller and rural Consolidated Territorial Communities (CTCs), however, they also questioned the commitment of AUC to advancing their interests, seeing it as more representative of larger cities, even though AUC has chambers for CTCs and smaller cities.

DOBRE contributed to the implementation of decentralization reform **at the CTC level**; the activity is making overall progress toward achieving anticipated contributions to strengthening local governance and reaching expected results. MFSI-II contributed to development of **national regulations**, working directly with the Ministry of Finance (MoF), and also helped to introduce **tools for municipal budget management** at the subnational level.

Donor coordination is important in the effective provision of technical assistance to Ukraine and has a positive impact on decentralization progress and sustainability. While the donor coordination mechanism that was established proved to be useful and effective **at the strategic level**, additional efforts may be needed for improved coordination at the operational level.

Introducing **gender-sensitive planning and analysis has contributed** to greater consideration of vulnerable groups' needs by local authorities and communities. However, despite positive changes launched by the LGP, an overall understanding of the gender-sensitive approach to governance at the community level needs to be promoted further.

### EVALUATION QUESTION 3

The LGP effectively provided support for communities' consolidation by creating **a legal basis** for consolidation; providing **technical advice** for central, regional, and local authorities on decentralization practice; and **introducing practical models and tools** at the CTC level to generate a visible demonstration effect across the country. The well-balanced application of various and mutually complementary types of technical assistance is a strong feature of the LGP and contributed to the sustainability of its interventions.

**The LGP strongly contributed to the establishment of CTCs** with center cities of oblast significance. While an earlier USAID program is credited with promoting the initial round of amalgamation, consolidation of local communities since July 2016 **cannot be attributed** to a single stakeholder or activity, due to the proactive policies of Ukrainian officials and contributions of other donors.

**Internal integration** of local citizens from amalgamated settlements into a single community is a crucial factor in the sustainability of local governance reform, and the **project contributed to inclusion** of women, elderly, youth, people with disabilities (PwDs), minorities, and internally displaced people (IDPs) in community development.

Decentralization reform **remains incomplete**, and the greatest risk for ongoing reform efforts relates to the political uncertainty following the recent presidential elections and upcoming parliamentary election campaign. Organization of public finance at the local level requires additional methodological support, with a focus on the establishment of a balanced contribution system to fund public services shared by several neighboring communities and to a wider harmonization of decentralization with sectoral reforms.

Several factors contribute to the sustainability of LGP results at the CTC level, which include a **participatory approach** to strategic planning and development of local programs; ensuring **local ownership** by co-financing of infrastructure projects; **engaging youth** in decision-making; and

developing **project-management capacity**. LGP sustainability is also supported by an effective communication campaign, which targets a varied audience both nationally and locally, and uses various communication channels including printed media, TV, radio, social media, and village information boards. However, the communication campaign could be further improved and strengthened.

#### EVALUATION QUESTION 4

LGP project design documents called for close cooperation between PULSE and DOBRE in addressing capacity-building needs, but the ET found **no collaboration** between PULSE and DOBRE on achieving project Sub-Purpose 2: “Local governments effectively manage resources and services that respond to community priorities.” The activities’ implementers have not seen the need for collaboration, and as a result, collaboration between PULSE and DOBRE rarely goes beyond occasional joint participation in some knowledge- and information-sharing events, and little evidence of ongoing coordination and cooperation was identified in other areas.

DOBRE and PULSE collaboration in achieving Sub-Purpose 2 **has strong potential**, as both activities contribute not only to capacity building, but also to public communication.

#### EVALUATION QUESTION 5

If decentralization reform continues as envisioned by the initial decentralization concept, **additional support in the development and adoption of the local governance strategy is needed**, including the introduction of a clear design of the decentralized administrative and territorial system. However, the future of decentralization reform is uncertain under a new Ukrainian president and a possible change of government following upcoming parliamentary elections. The whole set of LGP interventions and their implementation modalities **may need to be revised** to take into consideration:

- Lack of common vision among stakeholders of which decentralization model to promote;
- Ongoing contribution of LGP activities to the success of decentralization reform;
- The presence of other donor-funded initiatives in decentralization and strengthening local governance.

**Additional support is needed** in the following areas:

- Contribution to the national-level development and adoption of standardized methods of analysis supporting decentralization reform;
- Further creation and dissemination of formalized tools to support the consolidation process and development of established CTCs;
- Community engagement into planning and oversight of local development, with further support for and scaling up of best practices for effective citizens’ engagement;
- Social inclusion, to be promoted at all levels of local governance;
- The elaboration and introduction of local economic development models and tools.

LGP activities focused on specific technical issues (for instance, energy-efficient budgeting tools under the scope of MSFI-II) had **no lasting effect in the rapidly changing legal/regulatory environment** and need not be supported further.

**Youth could be considered as a specific LGP target group** whose role in inclusive and sustainable decentralization outcomes is tied to increasing local economic development opportunities, as well as strengthening entrepreneurship and small and medium enterprises.

A clear and **well-coordinated LGP communication strategy is lacking**. Both PULSE and DOBRE contribute to decentralization promotion, but in an uncoordinated manner, which reduces the effectiveness and efficiency of the LGP communication campaign as a whole.

## **RECOMMENDATIONS<sup>2</sup>**

- 1.** USAID should keep and refine the LGP development hypothesis.
- 2.** USAID should further support municipal capacity development.
- 3.** USAID should assist local civil society.
- 4.** USAID should refine the focus of PULSE.
- 5.** USAID should expand access to DOBRE.
- 6.** USAID should continue to promote donor coordination.
- 7.** USAID should increase support for women and social inclusion.
- 8.** USAID should revise LGP sustainability and risk analyses.
- 9.** USAID should provide further support for local governance reform.
- 10.** USAID should disseminate information about decentralization reform.
- 11.** USAID should support cooperation between municipalities.
- 12.** USAID should support new decentralization legislation.
- 13.** LGP should establish an internal coordination mechanism.
- 14.** USAID should continue support for decentralization and local governance.
- 15.** USAID should support harmonization of decentralization and sectoral reforms.
- 16.** USAID should strengthen local economic development support.
- 17.** USAID should strengthen the LGP communication strategy.

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<sup>2</sup> Summary recommendations only are included here. Please see the main report for the full text of the recommendations.



# I. EVALUATION PURPOSE AND QUESTIONS

## EVALUATION PURPOSE

In line with ADS 201 “The Whole-of-Project Evaluation” (WOPE), this evaluation:

- Examined the progress of the Local Governance Project (LGP) toward its stated purpose and the progress of its constituent activities (MFSI-II, PULSE, and DOBRE) toward project sub-purposes;
- Assessed project and constituent activities’ complementarity and coordination (namely between PULSE and DOBRE due to implementation timelines); and
- Prepared a findings, conclusions, and recommendations matrix for USAID/Ukraine planning and monitoring purposes.

Additionally, the evaluation team (ET) examined (1) the soundness of the LGP theory of change that links together the project’s set of activities with its expected outcomes; (2) an up-to-date evidence base that includes data or information on progress towards achievement of the project purpose; and (3) targeted interdependent implementing mechanisms across LGP activities. In other words, the ET assessed the extent to which all activity-level interventions worked (or are working) in a complementary and coordinated manner to achieve the LGP’s stated purpose and sub-purposes.

This evaluation provides USAID/Ukraine with an independent assessment of USAID’s contribution to the improvement of local governance reform and assistance to consolidated communities. The findings, conclusions, and recommendations are intended to contribute to project and activity design for USAID/Ukraine’s new Country Development Cooperation Strategy (CDCS) 2019–2024.

International and local LGP implementing partners should find value in the findings and recommendations to inform future programming. These actors may include Global Communities (GC), International Research & Exchanges Board (IREX), Association of Ukrainian Cities (AUC), Social Boost (SBO), the Ukrainian Crisis Media Center (UCMC) and others. Social Impact (SI) envisions that Ukrainian organizations working in decentralization, governance reform, and local economic development will be secondary users of this evaluation.

## EVALUATION QUESTIONS

The evaluation addressed the **five evaluation questions (EQs)** presented in the Statement of Work (SOW). The ET also considered gender equality and social inclusion in the LGP.

1. To what extent is the LGP development hypothesis, “*IF the GoU implements a sound framework for decentralization, local governments effectively manage resources and services, and citizens engage in local governance processes and provide oversight, THEN local governance will be more transparent, participatory, and accountable to citizens,*” valid?
2. To what extent did USAID assistance advance the project purpose of strengthening local governance?
3. To what extent did USAID assistance contribute to the implementation of local government reforms that consolidated communities?
4. How did the DOBRE and PULSE activities collaborate to achieve project Sub-Purpose 2: “Local governments effectively manage resources and services that respond to community priorities”?
5. To what extent are the types of USAID assistance described in the LGP scope no longer needed in Ukraine?

## II. PROJECT BACKGROUND AND CONTEXT

Ukraine has experienced a turbulent transition since the 2013–2014 Revolution of Dignity, which resulted in a change of political orientation of the Ukrainian state and the launch of reforms targeting closer cooperation with Western democracies and gradual integration into European structures.

In the extensive reform program that the Government of Ukraine (GoU) has undertaken since spring 2014, decentralization was declared a top priority. Accordingly, amendments to the legal code in 2014 began to provide the foundation of an enabling environment for decentralization and local governance strengthening. Several reform initiatives were launched, and municipalities and newly consolidated territorial communities (CTCs) have obtained more autonomy and received increased budgets. Across Ukraine, 899 CTCs have been created as of May 10, 2019, according to the Ministry of Regional Development, Construction, and Municipal Services of Ukraine (MRD).<sup>3</sup> State budget support for community development and local infrastructure increased 39-fold from 2014 to 2018.<sup>4</sup>

Although the GoU has now been engaged in a sustained administrative and political decentralization effort for several years, decentralization and local self-governance reform are still far from complete. Reform implementation faces strong political opposition at both the national and subnational levels, with reforms being conducted in a fragmented manner and outside the framework of a coherent, unified policy.<sup>5</sup> As a result, CTCs cover less than two-fifths of the territory of Ukraine (39%) with 9.5 million residents living in CTCs, comprising about a quarter of the total population (27%).<sup>6</sup>

With a clear understanding that decentralization and local governance reforms need strengthening, the GoU, supported by the international donor community, has been continuing its efforts to transfer more power and control over local issues to local authorities, with the goal of increasing citizens' engagement and participation in local governance.

The USAID-funded LGP consisted of three activities, namely:

- Municipal Finance Strengthening Initiative-II (**MSFI-II**), implemented by Ukrainian Institute for Budgetary and Socio-Economic Research (IBSER) (operated from October 2011 to December 2017);
- Policy for Ukraine Local Self-Governance (**PULSE**), implemented by Association of Ukrainian Cities in partnership with IREX (launched in December 2015); and,
- Decentralization Offering Better Results and Efficiency (**DOBRE**), implemented by a consortium of partners led by Global Communities (GC). Partners include Poland's Foundation in Support of Local Democracy (FSLD), Małopolska School of Public Administration at the Kraków University of Economics (MSAP/UEK), National Democratic Institute (NDI), Social Boost (SBO), and the Ukrainian Crisis Media Center (UCMC).

Together, these activities were designed to support efforts of the GoU aimed at improving the well-being of Ukrainians by strengthening local governance, involving local citizens in local resource and

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<sup>3</sup> MRD, Monitoring of the Decentralization Process of Power and Local Self-Government Reform as of May 19, 2019, p. 6. <https://storage.decentralization.gov.ua/uploads/library/file/402/10.05.2019.pdf>

<sup>4</sup> Monitoring of the Process of Decentralization of Power and Local Self-Government Reform as of 10 September 2018 / Ministry of Regional Development, Construction, Housing and Communal Services of Ukraine, p. 23. – [https://storage.decentralization.gov.ua/uploads/library/file/312/10.09.2018\\_EN.pdf](https://storage.decentralization.gov.ua/uploads/library/file/312/10.09.2018_EN.pdf)

<sup>5</sup> Final report of USAID-funded *Political Economy Analysis (PEA) on Decentralization Reform in Ukraine*, September 2018.

<sup>6</sup> MRD, *op. cit.*, May 19, 2019, p. 6.

budget management, improving the business and investment climate to support local economic and social development, and improving provision of public services.

The evaluation consulted the key groups of Ukrainian counterparts and beneficiaries LGP supports:

- Central authorities;
- Ukrainian parliament (Verkhovna Rada of Ukraine, or VRU) Committee on the Budget and Committee on State Building, Regional Policy and Local Self-Governance;
- Cabinet of Ministers of Ukraine (CMU) and line ministries, including Ministry of Regional Development (MRD) and MoF;
- Local authorities at the regional (oblast), sub-regional (rayon), and municipal/CTC levels;
- CSOs and community representatives;
- Ukrainian media at the national and subnational levels;
- Ukrainian analytical and development centers.

In line with the Project Appraisal Document (PAD), LGP activities primarily target key national and local actors critical in the implementation of decentralization reform and improvement of local governance. However, the specific focus of the LGP activities varies, as shown in *Figure I*.

*Figure I: LGP Activities and Intended Results*



**MFSI-II**, which was completed in December 2017, assisted the Ministry of Finance of Ukraine (MoF), other line ministries and governmental agencies, and relevant committees of the Ukrainian Parliament in improving legislation, developing methodologies, and introducing regulations pertaining to local socioeconomic development and the implementation of an effective and transparent budgeting system. At the local level, MFSI-II delivered training for local governments and offices of the State Treasury and provided consultations on developing and implementing the performance program budgeting (PPB) system and the introduction of an energy expenditures monitoring system.

**PULSE** focuses on supporting the creation of a better legal framework for decentralization, working at the national level with legislative (VRU) and executive branches of the Ukrainian government (CMU and line ministries), as well as providing consultations and capacity-building support to subnational authorities. PULSE also contributes to communication supporting decentralization and promotes public engagement with governance at the local level. IREX assists



AUC in this area using networks of community reform groups and library-based communication platforms.

**DOBRE** targets the lowest level of governance—i.e., the recently created CTCs—to enable them to better manage resources, increase the quality of public services, stimulate the local economy, and improve citizen engagement. Within the consortium, under GC's overall lead, the FSLD provides technical expertise from the Polish experience in strategic planning, service provision and participatory budgeting. The MSAP/UEK is helping to strengthen educational and professional development opportunities in public administration. NDI is responsible for elevation of gender equity and promoting women's empowerment in DOBRE activities. SBO promotes innovative and demand-driven ICT solutions for inclusive and participatory local governance. UCMC develops and implements DOBRE's communications strategy, which seeks to strengthen public awareness of the benefits of decentralization, trains stakeholders in effective communications, and disseminates results achieved by CTCs and the DOBRE activity.

### III. EVALUATION METHODOLOGY AND LIMITATIONS

#### METHODOLOGY

The evaluation covered the whole LGP implementation period and was conducted by a group of international and local experts with the support of SI headquarters staff. For more information please refer to *Annex C*.

#### METHODS AND RESPONDENTS

The evaluation used a complementary mix of qualitative and quantitative methods as outlined below (for a detailed description of methodology, please refer to *Annex I*):

- **Key informant interviews (KIIs)**, including both individual and group semi-structured interviews with 156 respondents from the stakeholder and beneficiary groups (see *Table I*);
- **Mini-survey** targeting mostly LGP beneficiaries (69 completed);
- **Follow-up survey** to obtain additional information from LGP stakeholders (27 responses);
- **Direct observations** during nine site visits, including attending events organized by LGP activities and observation of interactions between the implementers and various beneficiaries, with special attention to communication and interaction strategies.

*Table I: Interviews by Respondent Category (not including survey respondents)*

RESPONDENT CATEGORIES	PROPOSED INTERVIEWS		TOTAL INTERVIEWS
	KYIV	OTHER LOCATIONS	
Central authorities	10	-	9
Regional, sub-regional, and municipal authorities	-	32	32
Implementing project management teams	6	4	8
Ukrainian analytical and development centers	3	-	5
Local CSOs and community representatives and other beneficiaries	-	8	37
USAID and representatives of other donor-funded projects	10	2	12
Media at the national and subnational levels	4	6	6
<b>TOTAL</b>	<b>33</b>	<b>52</b>	<b>156</b>

## SAMPLING

Respondents for KIs were preliminarily identified in consultations with LGP implementing partners, while considering the main groups of stakeholders and beneficiaries in the target regions, municipalities and CTCs. Interview respondents were asked to complete a follow-up survey if the ET believed that additional information from those respondents could be valuable. The ET also conducted a mini-survey targeting beneficiaries and community representatives within consolidated communities, with respondents identified through snowball sampling.

## SITE SELECTION

The purposive selection of sites for data collection considered the following factors:

- Involvement in LGP activities (within DOBRE, PULSE, and MFSI-II frameworks);
- Different types of LGP interventions;
- Consideration of all types of assisted municipalities: oblasts (regional) center cities, rayon (sub-regional) center towns, and CTCs; and
- Inclusive representation of Ukraine's major geographic regions (center, east, south, west).

The evaluation considered the geographic distribution of projects' activities; in addition to collecting data in Kyiv, the team visited 21 communities and municipalities in seven oblasts across Ukraine, as shown in Figure 2.

Figure 2: Data Collection Locations, April 2019



## ANALYSIS

The ET applied various analytical approaches, including contribution analysis to assess the contribution of the results and impacts of the LGP initiatives, standard descriptive statistical analysis, various types of qualitative analysis of narrative information, and gap analysis. Applied together, these complementary approaches to data analysis produced the evaluation findings.

## RISKS AND LIMITATIONS

The following challenges/risks were considered and mitigated to obtain reliable data:

1. **Limited time to gather data** from a wide variety of LGP stakeholders and beneficiaries spread across a large geographical area, especially taking into consideration difficulties in accessing some LGP locations. To support a balanced approach to the review of activities, the team purposefully sampled sites, respondents, and direct observation opportunities during fieldwork to ensure exposure to a wide scope and variety of activity locations, beneficiaries/stakeholders, and components.
2. The **unavailability** of several high-level key informants, particularly representatives of the national government who chose not to be interviewed themselves, instead sending deputies to speak on their behalf.
3. **Recall bias.** Some of the activities within the LGP (including the entirety of MFSI-II) have already been completed. Respondents found it difficult to accurately recall efforts related to these activities or changes over time. The team overcame the challenge of relying on the interviewee's recollection or perspectives by incorporating data collection best practices, such as framing questions to anchor activities to memorable points in time to ease recall, asking questions that rely less on recall of specific activities and more on the current perceived implications of those activities, and by triangulating the results. Data were triangulated with other respondent categories and sources, using different methods to help ascertain where respondents might have been biased due to recall limitations.
4. **Effects of election timing.** Ukrainian elections were held in March 2019 with an additional round in April, and final results were certified by May 2019. The socio-political environment around elections posed some risks and restrictions (such as uncertainty about the continuation of reforms) and influenced the availability of respondents during this timeframe. Holding interviews relating to local governance issues during a national election could have led to biased responses due to heightened sensitivity on those topics during election season. SI completed data collection in April and contacted potential respondents early, whenever possible, to verify their availability.

## IV. FINDINGS AND CONCLUSIONS

### EVALUATION QUESTION 1: TO WHAT EXTENT IS THE LGP DEVELOPMENT HYPOTHESIS VALID?

Figure 3: LGP Hypothesis



#### FINDINGS FOR EQ 1

##### VALIDITY OF THE DEVELOPMENT HYPOTHESIS

All interviewed representatives of six stakeholder groups reviewed the development hypothesis and stated it is still valid to a great extent. They agreed that the GoU should establish a sound framework for decentralization, that local governments must effectively manage resources and services, and that citizens must be engaged in local governance and oversight processes to promote a more transparent, participatory, and accountable local government.

As shown by *Table 2*, respondents to the mini and follow-up surveys cited all development hypothesis components as important for enabling transparent, participatory, and accountable local government. However, their responses are not directly comparable due to differences in how the questions were asked (a scale and a list) and because mini-survey respondents were primarily beneficiaries, while follow-up survey respondents were decentralization practitioners.

Table 2: Most Important Factors for LGP Framework by Survey Respondents

MINI-SURVEY RESPONDENTS (N=69) 5-point scale, where 5 is very important	FACTORS	FOLLOW-UP SURVEY RESPONDENTS (N=27) # of respondents that marked a certain factor as important
3.8	Sound legislation identifying decision-making process, areas of responsibility, mandates, etc.	18
3.8	Institutional capacity strengthening of local authorities at regional and local level	18
4.3	Increased financial capacity of local governments	15
4.2	Active citizen participation in decision-making processes and control over local resource management	24
4.1	Sustainable and inclusive local economic development to support well-being of local citizens and improve public services delivery	15

##### LGP CONTRIBUTION TO DEVELOPMENT HYPOTHESIS IMPLEMENTATION

The implementation of the LGP activities (DOBRE, PULSE, and MFSI-II) drove positive results, reflecting the validity of the development hypothesis, including:

## 1. At the national level (sound framework of decentralization, program-focused budgeting)

National and regional authorities acknowledged the significant role of PULSE in the development of a sound legislation framework for decentralization—including fiscal decentralization—and nationwide dissemination of best practices. They said they took local government input into account in the design and implementation of decentralization policies, and cited project responsiveness and collaboration with local government officials in responding to emerging policy opportunities and challenges in decentralization reforms.

Two respondents from the central authorities group said they appreciated MFSI-II's support in:

- Introducing amendments to the Budget Code and other legislation as needed to complete performance program budgeting (PPB) implementation for all local budgets and amendments to the Budget Code and sub-laws;
- Establishing a system to monitor and evaluate the execution of local budget programs for all local government functions;
- Technical assistance to public budget officers in applying PPB to effective budget management; and
- Overall contribution to the MoF in preparation and implementation of the Public Finance Management Strategy until the Year 2020.

Two KILs with representatives of the central authorities group also acknowledged the importance of DOBRE's contribution in the identification of good practices and in providing positive examples to support the promotion of decentralization nationwide.

## 2. At the regional and local levels (management of resources, service delivery, citizen engagement)

Despite the MFSI-II activity's having ended in December 2017, two out of three interviewed regional stakeholders and two CTCs still recalled the training of budget officers from local finance departments on the application of PPB, as well as advisory support to local governments and new amalgamated communities that were not involved in the PPB pilot.

Five interviews with authorities, municipalities, donors, and experts across Ukraine confirmed the importance of PULSE's regional- and local-level support, including:

- Communities' consolidation (through awareness raising, training on new procedures, and training of personnel in CTC administrations);
- Contributing to the organizing of local elections in CTCs in 2016 and in December 2018;
- Channeling of municipalities' and CTCs' concerns and suggestions to the central authorities;
- Support in information dissemination about decentralization reform, including training of librarians and local CSO representatives in communication.

DOBRE's contribution at the local level was recognized by officials of all 11 visited CTCs assisted by the activity. Respondents as a whole—including leadership, community activists, private-sector representatives, women, youth, and socially vulnerable groups—appreciated its participatory approach and its well-structured, lasting, and consistent work with communities. DOBRE interventions were closely related to the development hypothesis: based upon available legal and institutional frameworks, they supported better management practices, promoted inclusive civic engagement, and thereby contributed to more transparent and participatory local governance.

Surveyed stakeholders and beneficiaries mentioned visible changes that occurred as a result of reforms supported by LGP, with the most important changes cited including a power shift from the

central to the local level, a positive change in community perception of decentralization reform, increased attention in Ukrainian society to decentralization reform, and improved delivery of public services (see Table 3).

Table 3 shows that beneficiaries (mini-survey respondents) and LGP stakeholders (follow-up survey respondents) tended to identify different changes. Beneficiaries identified changes that had a direct impact on everyday life, such as better delivery of services, increased attention to decentralization, and the shift in power to the local level. Decentralization experts—especially legislative and higher-level authorities—were more likely to identify a broader range of changes.

**Table 3: Changes Occurred as a Result of Decentralization Reform by Survey Respondents (%)**

CHANGES	MINI-SURVEY (N=69)	FOLLOW-UP SURVEY (N=27)
Attention to decentralization	51%	82%
Better delivery of public services	51%	67%
Shift of power from central to local level	51%	85%
Community attitude	48%	85%
Political/institutional/financial independence	30%	44%
Government of Ukraine attitude	16%	52%
Regional authority attitude	16%	33%
Legislation/regulation	13%	52%
Other	10%	4%
No changes	3%	-

## ESTABLISHMENT OF A SOUND FRAMEWORK FOR DECENTRALIZATION

All respondents from central, regional, and local authorities agreed that the legal basis for a sound decentralization framework had been established, but that support was needed in further strengthening the legal basis (including the public finance framework), finalizing and approving models for the next phase of decentralization reform, and completing the amalgamation process.

## EFFECTIVE LOCAL GOVERNMENT MANAGEMENT

All interviewed stakeholders agreed that more resources had been allocated to the CTCs as a result of decentralization. Stakeholders observed that the effectiveness of managing CTCs depends mostly on the professionalism of community leadership. Stakeholders also mentioned a proactive local community and an enabling political environment as important factors for the effectiveness of local government.

Interviewees said that the accessibility and quality of public services had increased in the visited communities, although specific results differ from community to community (depending on available resources) and are dependent on the progress of specific sectoral reforms and the degree of their harmonization with decentralization.

The ET had no baseline data or reliable tool to assess change in the effectiveness of management at the local level. However, 90% of mini-survey respondents said the management of local resources had improved, while 9% said it had not improved at all.

CTC officials said the quality of management at the local level is affected by insufficient institutional capacity, noting that CTCs often lack qualified personnel to effectively manage available resources and provide needed services that were transferred to CTCs under decentralization reform.



Representatives from only two out of 11 interviewed communities said they have qualified personnel for managing existing resources. CTCs currently use available local and rayon specialists and build their capacity through opportunities provided by state and international technical assistance programs.

## CITIZEN ENGAGEMENT

Interviewed CTC officials stressed the importance of citizen engagement as a factor in the openness, transparency, and accountability of local government. This view was shared by the majority of representatives of central authorities and decentralization experts, as well as by 68 of the 69 CTC residents who responded to the mini-survey.

All three LGP activities promoted and supported greater involvement of communities in the planning and management of local resources and public services delivery. MSFI-II introduced the new participatory budgeting methodology and a “citizens’ budget” methodology, training of civil society leaders, and public awareness raising.

PULSE supported communities’ greater engagement in the management of local resources through capacity-building events and dissemination of information about legal requirements and good practices in this area through the AUC network. PULSE partner IREX worked with local libraries; involved local NGOs, advocacy groups, youth councils, media, and community leaders in the activities of 61 reform support groups in the regions; and strengthened citizen capacities through direct training and a series of webinars.

DOBRE sought to promote the active involvement of local citizens in strategic planning and implementation. According to interviews conducted in the assisted communities, DOBRE worked with local activists and supported the creation of Youth Councils as active agents of change. In some of the assisted communities, DOBRE supported the rehabilitation and expansion of local government facilities, allowing local citizens’ physical access to council meetings to witness and participate in local development issues.

CTCs assisted by LGP reported that citizens’ engagement in local governance had increased: 72% of surveyed respondents agreed or strongly agreed that local citizens have more control in the management of local resources, while 26% neither agreed nor disagreed, and 1% disagreed. Follow-up survey respondents rated citizen engagement in local decision-making processes at 3.15 out of 5—a higher-than-average level of engagement.

## PARTICIPATORY GOVERNANCE

Nine interviewed CTC officials said that active citizens established CSOs or organized informal groups to address local community needs, for example, a CSO called Fish Catchers that had been established to care for a local lake in Mohyliv CTC of Dnipropetrovska Oblast. Furthermore, the formal Youth Councils actively supported by DOBRE had proved to be effective tools, including a Youth Council in Pechenizhyn that assisted the local council in identifying service priorities for the community.

At the same time, interviewees in the visited CTCs, USAID/Ukraine officials, and other donors said the share of active citizens was limited (at about 10%) and very few CSOs had been registered. Even operational CSOs do not have public oversight capacity, and lack an understanding of the priority areas for their activities, skills for project identification and resource mobilization, or knowledge of approaches to involve citizens.

All the interviewed CTC officials confirmed that they would prefer to see more proactive involvement of citizens in local governance, but they understand the limitations to involvement, including unfavorable demographics, focus on personal business, and lack of community integration. For example, interest in local government was generally low among residents of the *hromada* community because of their focus on their own families, a lack of understanding of possible benefits of participation, and insufficient skills for full engagement in local governance.

## LOCAL GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY

Seven CTC officials said that transparency of local governments had increased as a result of legal and regulatory requirements regarding information disclosure, increased engagement of local communities, and the adoption and application of various transparency and accountability tools based on best international practices. These tools include regular dissemination of plans and reports, public hearings, e-petitions, online broadcasting of council meetings, and use of social media. Interviewed heads of CTCs said there was increased transparency of decision-making, especially in the selection of local development projects, planning, and budgeting. In four instances, CTC heads mentioned that the community pushes local government to better transparency.

At the same time, five CTC officials admitted that broad communication with community members is largely one-way, aiming at information provision rather than seeking citizens' feedback. In some other communities assisted by PULSE/IREX and DOBRE, social media and regular polls of citizens function as two-way communication with residents, such as in Novooleksandrivka and Bashtanka. More often, local governments seek community opinions only on specific issues, such as identification of priorities in local development, or suggestions on infrastructure projects.

Key informants said systematic citizen oversight of local development initiatives such as tendering or monitoring of implementation has not been established, due to citizens' and CSOs' lack of knowledge and skills in this area. Interviews with CTCs also showed that, despite local governments' increased transparency, citizens still have low level of trust in authorities and interest in local governance often remains limited.

## ADDITIONAL FACTORS

Local leaders and project implementers identified **three additional factors** that influence transparent, accountable, and participatory local government:

1. DOBRE representatives said work at the CTC level shows that communities become more participatory and accountable to citizens if they have dedicated **drivers of change**: formal and informal leaders proactively supporting reform. All visited CTC officials and other stakeholder groups interviewed echoed this observation. To help local officials become drivers of change, DOBRE provided training on leadership (including women's leadership), financial management, communication and reporting. PULSE/IREX works with a network of local libraries to turn them into local media centers, thereby promoting more inclusive and transparent local governance.
2. Stakeholders at the local level noted that it is important to have **a critical mass of activists and supporters** to ensure changes in community attitudes toward participation in local government. Twenty-three of 27 respondents to the follow-up survey and 33 of 69 mini-survey respondents cited the need to stimulate and encourage community residents to proactively help the community to develop itself.
3. The PULSE subnational experience and examples from visited CTCs highlight the importance of an **enabling environment** for implementing a sound framework for



decentralization, mostly at the national and regional levels, but sometimes at the local level as well. Such an environment includes a set of interrelated conditions, including legal, bureaucratic, fiscal, informational, political, and cultural factors.

## CONCLUSIONS FOR EQ 1

To a large extent, the ET found the LGP development hypothesis to be valid. Three additional factors critical for enhancement of transparent, participatory and accountable local governance could be added: availability of **drivers of change**; (2) **a critical mass of activists**; and (3) **an enabling environment**.

While a solid foundation for decentralization has been initiated, the amalgamation process needs to be completed. **A further development of a sound framework** for decentralization is needed at the next phase of reform, including (1) a clearly defined administrative-territorial system; (2) the completion of communities' amalgamation; (3) defined roles of authorities at different levels to avoid duplication of functions; and (4) a process for resolving conflicts about allocation/management of assets, such as roads and social infrastructure. Changes in the legal base may require amendments to the Constitution.

**Effective management of resources and services delivery** at the local level depends on the presence of political will, including the goodwill of regional- and rayon-level officials to support CTCs; local drivers of change; and local capacities to manage resources and services. **Access to and the quality of public services has generally increased** in LGP's assisted communities, but results are mixed, depending on the harmonization of decentralization with sectoral reforms as well as the priorities and capacities of specific communities.

While local governments' **transparency** and **citizen engagement** in local governance has increased as result of democratic procedures and disclosure tools, a lack of citizen oversight of local resources and public services management remains due to limited knowledge and skills for such activity.

## EVALUATION QUESTION 2: TO WHAT EXTENT DID USAID ASSISTANCE ADVANCE THE PROJECT PURPOSE OF STRENGTHENING LOCAL GOVERNANCE?

### FINDINGS FOR EQ 2

#### LGP OVERALL

Activity reports, survey respondents, and key informants provided strong evidence that USAID/Ukraine assistance has advanced the project purpose of strengthening local governance to a significant extent. Of respondents who completed the follow-up questionnaire, 88% reported that LGP responded to the needs of the decentralization policy, and 100% reported that LGP supported the effective management of local resources, improved the quality of public services, and increased the transparency of local government (see *Annex L. Follow-up Results*). As one central authority representative put it, *"USAID does not just provide some financial support, but works on the development of local communities."*

More than two-thirds of respondents spoke favorably of the LGP activities' flexibility and adaptability of LGP activities to the evolving needs of decentralization and local governance strengthening in

Ukraine. Slightly more than half reported that LGP activities helped to increase local government autonomy.

Respondents who participated in the follow-up survey ranked the effectiveness of LGP interventions on a 5-point scale, where 5 was most effective and 1 was least effective. They cited as the most effective interventions: (1) training and knowledge-exchange and -sharing events (M=4.59); (2) study tours (M=4.56); (3) grants and direct financial support (M=4.48); and (4) promoting community consolidation (M=4.44). Among the least effective interventions in the eyes of respondents were preparation of the relevant legislative framework (M=3.56) and decentralization policy development (M=3.92). (See *Annex L. Follow-up Results*).

The varying contributions of the governance-strengthening activities are presented below.

## PULSE

According to the PULSE Project Description (PD), the key objective of this activity was “to help the GoU adopt and implement a sound decentralization policy framework.” Interviews with parliamentary, government, and ministry officials involved in reform design and implementation confirmed that PULSE and its implementer AUC substantially contributed to decentralization methodology development and legislative efforts. For instance, with the help of AUC, the Law on Inclusion of Neighboring Communities into Oblast Cities was passed, leading to the establishment of 24 CTCs in center cities of oblast significance. However, due to various political reasons beyond PULSE’s control, the decentralization policy framework was not completed.

Only 3 of 58 interviewed municipal government representatives shared examples how they collaborated with PULSE.

PULSE also resulted in the inclusion of local government in the amendment of legislation and facilitation of key stakeholders’ participation in the monitoring of reform implementation. Few key informants said that the development of the enabling legislation for decentralization reflects local government input, though AUC officials said they monitor legal challenges affecting communities’ consolidation and collect and analyze specific suggestions coming from the local governments. However, in interviews including 58 municipal government representatives, the ET was told of only three cases where local authorities collaborated with PULSE on development of the legal framework (all at the oblast level).

Interviews with key groups of Ukrainian stakeholders found that central and regional authorities had different experiences with PULSE and AUC than have their municipal and CTC counterparts in the development of the decentralization framework. Central and regional authorities said PULSE/AUC played an important role in the amendment and development of the legal basis for decentralization and in ensuring progress in achieving the activity’s purposes. Five representatives of national authorities stated that AUC is an important and active player in legislative discussions and in lobbying at the national level. “We *always* see *their* representatives engaged in discussions,” said one representative.

The desk review and KIs with CTC officials, however, found mixed feedback on PULSE’s contribution to promoting the interests of both urban and rural CTCs. For example, respondents in at least seven visited communities mentioned as an issue the eventual absorption of the existing CTCs by the cities of regional significance (foreseen by the law lobbied by AUC). At least four CTC officials reported that they did not feel they could easily discuss with AUC their suggestions to further improve reform legislation. This perception arose even though AUC has chambers for CTCs and smaller cities.

With respect to PULSE Expected Result 2, “Resources under local self-governments’ authorities increased,” all regional and municipal representatives agreed in the interviews and group discussions that their resources had increased. However, the vast majority pointed out that their fiscal responsibilities also increased, as local budgets are expected to cover more areas, such as educational and cultural institutions or utilities.

The ET found a substantial PULSE contribution to Expected Result 3, “Capacity of stakeholders increased,” through information sharing, training, and consulting support. All interviewed local authorities reported that they felt capable to carry out new roles and responsibilities. However, capacity building is ongoing, and almost all interviewed local government officials reported that they face a lack of qualified management and administrative personnel and that they are interested in continuing education and learning about best practices.

AUC is both a PULSE implementer and an advocacy organization for its members, with its own tasks, goals, and interests. As a result, it is often unclear whether activities (information-sharing events, trainings, etc.) were AUC initiatives targeting extension of the association’s client base or were part of the PULSE portfolio. Based on meetings in the visited oblasts, cities, and CTCs, local officials see no clear division between AUC and PULSE, and at the subnational level, AUC is more recognizable than PULSE.

## DOBRE

DOBRE provided systematic, local, needs-based, continuous support to 75 communities in seven oblasts, with the overall purpose of assisting local authorities and communities in the adoption of effective tools for strategic planning and management of local resources, according to KIIs and annual reports. All respondents from DOBRE-associated CTCs reported that the DOBRE activity greatly strengthened local governance. Many said, “We feel *dobre* [good in Ukrainian] with DOBRE,” taking the activity’s slogan to heart. One participant said, “DOBRE works as a system, and that is why DOBRE is a correct, effective way to [achieve] self-governance.” Another CTC representative supported the point, saying “DOBRE chews up all the details at every step of the way, pushes us to do work ourselves, and motivates us to achieve results.”

All CTC representatives, DOBRE representatives, and other donors reported that they believe the scale and intervention of DOBRE is adequate. Over the evaluation period, DOBRE implemented various participatory mechanisms for community development, including participatory budgeting, youth councils, community dialogs, “open door” activities, and other special activities that brought citizens and authorities together and involved more than 2,795 citizens from DOBRE communities.

Leaders and citizens of communities assisted by DOBRE reported positive changes in their attitudes toward self-governance, according to the mini-survey and interviews. Overall, DOBRE is moving toward achieving its objectives, with exception of ER 2.2. “Citizen anti-corruption oversight implemented at the local government level,” where the activity is behind planned results according to data in two recent annual reports (indicators 2.13, 2.15, 2.16).

All interviewed DOBRE and non-DOBRE CTC authorities, as well as media experts, said that the anticipated outcome to create exemplary communities was achieved and that the DOBRE CTCs are now thriving communities that serve as exemplars to other CTCs and others that have not yet amalgamated. As one central authority representative explained, “Real life examples generated by DOBRE are very important for promotion of the decentralization idea.”

All KIIs in CTCs assisted by DOBRE reported increased participation of citizens in community assessment; strategic planning; support for inclusive, transparent, accountable governance; and direct

support for identification and implementation of development initiatives at the CTC level. Local authorities reported in interviews that they pursue open, participatory budget development, organize public meetings, and encourage citizens to participate in governance processes via various channels. As one participant put it, “We engage people in managing resources to thrive in *hromadas*.” Another local authority member said, “We now have engagement we did not have before, as now we can get citizens organized, and they are offering their ideas.”

The ET observed that all visited CTCs use their own websites and social media channels to inform citizens. More than half of residents contacted recalled participating in various discussions with authorities or at least remembers an invitation to contribute to discussions on budget planning.

## MFSI-II

Objectives of MFSI-II were reached, according to KIs with central government authorities and at least two KIs at the subnational level. MFSI-II support to the MoF, State Treasury, and pilot municipalities contributed meaningfully to the improvement of the legislative and regulatory framework, introduction and adoption of the PPB tool, design and implementation of innovative financing mechanisms, and overall budget reforms.

The most successful contributions were provided to the MoF in an analytical and advisory capacity in introducing the PPB, which is used in 82 cities across Ukraine, including several visited municipalities: Mykolaiv city, CTC in Mykolaiv oblast, and CTC in Ivano-Frankivska oblast. One CTC representative said, “*MFSI-II brought this platform [the PPB system] to our municipality and currently we use it together with DOBRE.*”

However, energy-saving financial tools were no longer used due to changes in the Ukrainian regulatory environment. As one respondent put it, “*Yes, we remember this program; however, it is no longer relevant as the laws changed and we need new mechanisms now.*”

Understanding of the contribution of MFSI-II is mixed at the local level, partially because recognition of MFSI-II was overshadowed by familiarity with the activity implementer, Ukrainian Institute for Budgeting and Socio-Economic Research (IBSER).

## INVOLVEMENT OF NATIONWIDE ASSOCIATIONS

The LGP works with two nationwide associations: AUC (with PULSE), which enjoys official government recognition, and Associations of Consolidated Territory Communities (ACTC) with DOBRE, which has no officially recognized status with the government but operates across the country. According to interviews conducted with central and regional authorities and association representatives, AUC has a larger network of more than 300 CTC-members, has more political clout, and is more visible at the national and subnational levels than ACTC. However, representatives of seven rural CTCs and one decentralization expert said they believe that AUC operates in the interests of bigger municipalities (the majority of AUC members) and promotes decentralization models serving their needs, which sometimes differ from the interests of small CTCs. Two central authority officials disputed this allegation in interviews.

Regardless, many of the CTCs visited have membership in both associations, which they try to use for communication with the GoU. They also appreciate the opportunity to receive consultations and administrative support from both associations for complicated legal and administrative matters.

## DONOR COORDINATION

Other donors' contributions in the areas addressed by LGP are visible, including such organizations/initiatives as:

- United Nations Development Programme (UNDP), which implements the joint UNDP/EU Project “Community Based Approach to Local Development,” providing a long-term, comprehensive capacity-building initiative to promote sustainable local development in Ukraine;
- Swiss-funded Support to Decentralization in Ukraine (DESPRO), which is focused on support to local governance development and improvement of public services;
- Canadian Partnership for Local Economic Development and Democratic Governance (PLEDDGE), which supports transparent and effective decision-making by local government, creates enabling conditions for SME, and facilitates decentralization of authorities and integrated development planning at the local, regional and national levels);
- EU-funded Ukraine – Local Empowerment Accountability and Development Program (U-LEAD with Europe), which contributes to the establishment of multi-level governance that is transparent, accountable, and responsive to the needs of the Ukrainian population

Currently U-LEAD is the biggest initiative in the field of decentralization. U-LEAD has established a wide subnational network and has substantial potential in:

1. Policy development at the national level,
2. Institutional and individual capacity building at various levels of local governance,
3. Development and implementation of communication policy in local governance reform.

In some cases, the attribution of results to specific activities or donors is complicated. As one example, both PULSE and U-LEAD claim they contributed to consolidation of 299 communities in 2016, according to annual reports by PULSE and to the promotional brochure by U-LEAD.

The ET was not able to analyze in detail U-LEAD interventions as the program does not publicly release its annual reports, monitoring and evaluation reports, or any other detailed reporting information. Under these conditions, it was not possible to accurately understand, compare, or evaluate scope, influence, or contribution of U-LEAD versus other donors.

Though a Donor Coordination Board was established to provide a framework to support decentralization and local governance reform, LGP stakeholders perceive that the coordination of decentralization efforts among donors is limited, according to interviews and group discussions. According to national authorities and donor representatives, the board holds regular meetings and has an approved Common Results Framework. Both PULSE and DOBRE are involved in donor coordination through contribution to the board's regular meetings and activities within its 10 working groups.

Interviewees said they found satisfactory donor coordination at the top level but a lack of coordination at the operational level. Numerous duplications of activities conducted by DOBRE and U-LEAD, for example, were reported by the activities' managers and by representatives of visited CTCs in the oblasts assisted by DOBRE. Reaction to such overlaps by beneficiaries varied; one CTC representative stated, “It is even better to have an opportunity to familiarize with various experiences and points of view”; others found such practices confusing.

Seven CTC representatives and four project implementers at the regional level reported that various donor-funded projects often offer similar interventions to the same communities on the

same topic (e.g., strategic planning, participatory budgeting, access to funding, management competencies of local authorities; development of soft skills for local government officials). Interviewed CTC representatives reported that some of the U-LEAD training materials, for instance, were very similar to DOBRE or PULSE training materials. Specifically, representatives from one CTC complained that they were forced to attend U-LEAD trainings that covered the exact same topics that DOBRE trainings had covered just two weeks ago. One CTC representative said, “We also like [DOBRE] trainers, and we have a better contact and closer contact with experts. They are very practical, and they work closely with us and help us much better.” Another CTC official said, “DOBRE forces me to work; does not give me a break.” He continued that he likes that approach more than that of U-LEAD, where no close oversight is provided, where he could not clearly understand the goals, and where he feels “lost” because of a lack of oversight.

## GENDER EQUALITY AND SOCIAL INCLUSION

Stereotypical perceptions about the restricted roles of women in patriarchic societies are a persistent issue, especially in western Ukraine, and the ET found that LGP attempted to address this issue at the CTC level. The majority of representatives who responded to follow-up interviews agreed (59%) or strongly agreed (11%) that gender issues and special needs of socially vulnerable groups (veterans, elderly citizens, youth, etc.) are considered and mainstreamed by LGP. Among the most helpful tools offered by LGP in enhancing gender-sensitivity, respondents highlighted: 1) women’s economic empowerment; 2) gender-oriented budgeting; and 3) women’s political engagement (See *Annex L Follow-up Results* for more details). For instance, NDI’s Women’s Leadership Academy stood out as the most visible tool that helps women to realize their power as citizens and decision-makers.

Furthermore, respondents at the CTC level felt that LGP’s efforts in promoting gender equality and social inclusiveness issues into community planning and provision of public services have a strong likelihood of being sustainable.

Results of the mini-survey demonstrated that surveyed community representatives do not believe that additional support is needed for inclusion of women, youth, and other socially vulnerable groups: this was the second-least popular answer among all answers, with the mean of 3.79 on the 5-point scale. However, the inclusion of local citizens in local governance was ranked the highest (M=4.26), indicating that citizens desire inclusion of community members in general but do not see the value of separating members along gender lines.

Issues of social and gender inclusion are better understood in the LGP-assisted communities. In all visited communities, development priorities were aligned with consideration of special needs of certain groups of community members. However, this approach is not fully accepted within DOBRE cohort 2 and 3 communities, suggesting that communities outside LGP’s scope would be even less sensitized to inclusiveness issues.

## CONCLUSIONS FOR EQ 2

Though the overall **effectiveness of LGP is confirmed**, the perceptions of effectiveness of the project’s activities and interventions differ among local CTC representatives, national authorities, and implementers.

Overall, **DOBRE** is perceived as the most effective activity, as it produced tangible local governance-strengthening results at the community level as a result of its direct decentralization reform implementation at the CTC level; its results were recognized, and the activity is on its way toward achieving its expected results. Furthermore, DOBRE is both manageable and large enough to



be utilized to initiate change in regions of the country that it does not directly assist by producing and sharing reproducible step-by-step processes, methodologies, good practices, and success stories from which to learn.

**PULSE** also realized a substantial share of its expected results. PULSE supported the amalgamation process through contributing to the development of the legal and regulatory base for decentralization, but the process remains incomplete due to political reasons. PULSE succeeded in ensuring that decentralization-enabling legislation incorporated input from cities, which are members of PULSE implementer AUC, but small non-AUC member communities said they did not provide input into the process. In line with its expected results, PULSE conducts numerous training events across the country using the AUC network and a network launched by PULSE partner IREX. PULSE also contributed to local economic development and an increase in local government resources, achieving another expected result.

LGP's reliance on just one **association** to represent Ukrainian communities and working with the GoU in decentralization policies and legislation development introduces a risk of bias and unbalanced representation of the different types of CTCs in Ukraine—including promotion of models of decentralization reform not supported by the whole CTC community. Additionally, the lack of clear division between AUC and PULSE activities begets the risk that USAID/Ukraine efforts will be associated with AUC outcomes that are outside PULSE's scope.

**MFSI-II** contributed to development of national regulations, working directly with MoF, and also helped to introduce tools for municipal budget management at the subnational level that are used by some of the visited communities.

**Donor coordination** is important for the effective provision of technical assistance to Ukraine and has a substantial impact on decentralization progress and sustainability. The established donor coordination mechanism proved its usefulness and effectiveness at the strategic level; additional efforts may be needed to improve coordination at the operational level outside the capital city to increase the effectiveness and efficiency of international support for governance reform in Ukraine.

Despite positive changes launched by LGP, an overall understanding of the gender-sensitive approach to governance is still lacking in the vast majority of communities. However, the close collaboration between local authorities and local citizens supported by LGP effectively resulted in community planning and provision of public services that were **gender-mainstreamed and socially inclusive**. The introduction of gender-sensitive analysis and planning has contributed to a broader consideration of the specific needs of vulnerable social and demographic groups by local authorities and communities assisted by DOBRE and PULSE. The understanding of the purpose and principles of gender-sensitive budgeting was evident in the work of CTCs that received strong training. The Women's Leadership Academy was considered by beneficiaries as an effective tool for women's empowerment.

## EVALUATION QUESTION 3: TO WHAT EXTENT DID USAID ASSISTANCE CONTRIBUTE TO THE IMPLEMENTATION OF LOCAL GOVERNMENT REFORMS THAT CONSOLIDATED COMMUNITIES?

### FINDINGS FOR EQ 3

CMU Resolution of 2014 (#333) began decentralization reform, enabling the formation of CTCs in line with the provisions of European Charter of Local Self-Government 1985. The consolidation of communities has since become one of the pillars of the decentralization reform. In 2015, new local authorities were elected in these communities, and in 2016, they were granted extended powers and additional financial resources that allowed them to implement infrastructure development projects, such as building or renovating schools, kindergartens, water pipes, roads, street lighting systems, the purchasing of utility equipment, and the establishment of communal enterprises, among other improvements.

### LGP CONTRIBUTION TO COMMUNITIES' CONSOLIDATION

Even prior to LGP's launch, USAID contributed to the establishment of the first 159 CTCs in 2015 through its DIALOGUE activity. In the opinion of representatives of the GoU, decentralization experts and visited CTCs, a well-balanced application of various and mutually complementary types of technical assistance is a strong feature of LGP, and contributes to the sustainability of its interventions, which are briefly summarized below.

**DEVELOPMENT OF LEGISLATION AND POLICY ADVOCACY.** Development of the legal framework and policy advocacy were the PULSE activity's main tasks. Six interviewed representatives of CMU, MRD, city CTCs, and experts confirmed that PULSE's contribution to the improvement of legislation facilitated communities' consolidation. Through the AUC network, PULSE worked closely with the legislative and executive branches of government, promoting decentralization reform. Specifically, AUC/PULSE contributed to the amendment of the Law of Ukraine "On Voluntary Association of Territorial Communities" adopted in 2018 (N 2379-VIII), which accelerated the consolidation of smaller communities into cities of oblast significance and led to the establishment of 24 CTCs.

However, for other CTCs established since July 2016, there is no clear evidence of LGP's exclusive contribution to the communities' amalgamation, due to other donors' assistance in this area and the GoU's proactive approach. According to the CMU, decentralization actors included the president of Ukraine, VRU, and MRD, with AUC and ACTC making important contributions. Among the residents of CTCs that consolidated in 2015–2016, the most frequently cited agent of decentralization was the GoU (29%), followed by the president of Ukraine (22%), local governments (18%), and the VRU (12%).<sup>7</sup> No respondents mentioned donor-funded projects as major agents of decentralization reform.

**TRAINING, COACHING, AND TECHNICAL ADVICE.** Interviewed stakeholders from all groups said that LGP sustainably contributed to communities' consolidation through training, coaching, and provision of consultations to local authorities on legal and financial issues and local economic development.

LGP provided practical tools for strengthening local self-governance through the AUC/PULSE nationwide network, three cohorts of CTCs in five oblasts via the DOBRE portfolio, and pilot

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<sup>7</sup> Council of Europe, Kyiv International Institute of Sociology, *Decentralization and the Reform of Local Self-Governance: Results of the Fourth Wave of Sociological Research*. Analytical Report, 2019, Kyiv. p. 77



locations targeted by MSFI-II. According to LGP reports, PULSE alone provided 10,852 such consultations. All stakeholders and beneficiary respondents confirmed that LGP provided municipalities and CTCs with models and tools to consolidate and strengthen local self-governance.

**DEMONSTRATIVE EFFECT AND INFORMATION DISSEMINATION.** LGP activities supported the process of community consolidation through demonstrative effect and information dissemination. Four interviewed authorities of the central government said that the successful example of the already consolidated communities had a significant positive effect on communities still in the process of consolidation. Examples of successful LGP interventions include:

- PULSE events that brought government and media together; press tours for regional media; information events on decentralization for not-consolidated communities and recently created CTCs (368 events with 7,103 participants); replication visits (nine visits with the participation of 384 representatives of local governments); and the expansion of community outreach through the IREX library network.
- DOBRE generated convincing examples of CTC development, including support for local CTCs' development projects co-financed by USAID/Ukraine and the target community; conducted a series of conferences and forums (including a joint initiative with U-LEAD targeting non-amalgamated communities); and organized study tours to successful communities abroad and peer-to-peer study tours in Ukraine.
- Both activities disseminated community success stories through traditional and electronic media, including MRD and AUC websites. In the opinion of interviewed community activists and media experts, the success of the television show "*Hromada* for a Million," produced by UCMC, contributed to increased interest in community consolidation across Ukraine.

**STRENGTHENING INTERNAL COMMUNITY CONSOLIDATION.** LGP contributed to the internal integration of assisted CTCs by building cohesion within communities and ensuring the inclusion of women, elderly, youth, PwDs, minorities, and IDPs in community development. The desk review showed that PULSE supports active inclusion processes and equal access to services at the local level for PwDs through drafting legislative and regulatory documents; conducting training, activities, and exercises; and disseminating best practices and success stories. PULSE partner IREX established reform support groups in 61 communities.

DOBRE supports implementation of local initiatives that meet community needs in integration and cohesion building. One of its purposes is to strengthen residents' identities as members of the newly enlarged communities and to ensure the inclusion of women and socially vulnerable groups in local development, including their participation in formulation, approval, and implementation of CTC strategic plans. DOBRE partner NDI promotes gender-sensitive planning tools and conducts Women's Leadership Academy training cycles around the country, supported with grants to high-achieving Academy participants to engage on gender issues within their own communities and to support formation of gender-focused caucuses in the local councils. DOBRE conducts the leadership school DOBRE-LID for youth activists from partner communities, supports establishment of youth council, and provides trainings for their members<sup>8</sup> and other youth engagement activities. DOBRE addresses the needs of PwDs by ensuring easy and safe access to public facilities, thereby facilitating their participation in community life and in local governance.

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<sup>8</sup> Council of Europe *et al.*, *op. cit.*, pp. 5, 32, 35.

## REMAINING CHALLENGES TO CONSOLIDATION PROCESS AND ITS SUSTAINABILITY

**INCOMPLETE CONSOLIDATION.** Voluntary consolidation of municipalities was chosen by the GoU as a key principle of the decentralization reform. However, the consolidation of local communities is still ongoing and is far from complete. After four years of reform, 6,774 *hromadas* remain unconsolidated (62% of the total number of local councils at the beginning of 2015). Prospective plans for the creation of CTCs still cover only four-fifths of Ukraine and three-fourths of the total population; 38 cities of oblast significance are not covered by these plans.

One expert and two representatives of central authorities opined that voluntary consolidation has not produced anticipated results and should be replaced with mandatory consolidation, to be led by the GoU. At least three representatives of CTCs expressed the same opinion.

**FINANCIAL SUSTAINABILITY OF CTCs.** All groups of LGP stakeholders expressed concern about the dependency of CTCs on state subventions and insufficient revenue bases. Few examples were found in the visited communities of sustainable increases in the CTCs' own sources of revenues. The exceptions are represented by CTCs benefiting from enterprises located on their territory that pay local taxes after the establishment of new administrative borders (often at the expense of neighboring municipalities). MDR data confirm the dependence of local budgets on shared national taxes (among which the personal income tax is the greatest) and the relatively small contribution of local taxes and fees.

At the same time, representatives of at least six local governments expressed concern with the increasing burden of some financial obligations imposed by the central authorities; e.g., distribution of social benefits, and underfunding for education and healthcare. An example provided by one CTC of oblast significance shows the net effect was a *de facto* decrease of funds available for local development from 2015 to 2018. Data from the follow-up survey confirmed serious concerns at the local level regarding economic and financial sustainability of CTCs. (See Annex K, Table K.18 and Figure K.11 for more information).

**UNCLEAR POLITICAL FUTURE.** All nine interviewed representatives of central authorities expressed concern that decentralization reform could be reversed. Respondents to the follow-up survey also considered that political risk is the most visible at the national and regional levels (average scores are 4.04 and 3.42, respectively). (See Annex K, Table K.18 and Figure K.11).

## SUSTAINABILITY OF LGP INTERVENTIONS

MSFI-II implementer IBSER—considered a helpful analytical and consulting center by the MoF—disintegrated when USAID/Ukraine support ended, with IBSER experts now working for other donor-funded initiatives in the area of administrative and fiscal decentralization. However, IBSER's contribution to the regulatory framework development has had a lasting effect, and tools such as PPB are still being used by the municipalities visited by the ET.

The interviewed representatives of local authorities assisted by LGP believe that the changes in the local governance system promoted by the project are largely sustainable, as they have proved effective in contributing to the well-being of community members. Most notable are improved accessibility and quality of public services, increased citizen engagement, and local government transparency. According to the mini-survey, the most likely sustainable decentralization reform results are increased citizen engagement (4.03 average score); among the less sustainable are fiscal decentralization (3.43), increased local government autonomy (3.44), legislative framework (3.46), and increased gender balance and inclusiveness (3.50) (See Annex K for more information). Gender

sensitivity and inclusiveness and increased local government fiscal autonomy were also considered to be less sustainable.

Five respondents (four implementers and one expert) mentioned several factors that contribute to project sustainability: providing communities with a methodology for involving citizens; working with various active segments of the community, including youth, the private sector, and elected members of local councils; distributing information on successful practices; developing online courses with the use of the Prometheus platform; and establishing and developing a network of information/media centers promoting decentralization and local self-governance.

### CONCLUSIONS FOR EQ 3

USAID/Ukraine provided needed support for communities' consolidation by:

- Creating a legal basis for consolidation and support in regulatory amendments;
- Providing technical advice for central, regional, and local authorities on decentralization practice;
- Introducing practical models and tools at the CTC level to generate a demonstration effect for use in the further strengthening of decentralization reform efforts across the country.

A well-balanced application of various and mutually complementary types of technical assistance is a strong feature of LGP, contributing to the sustainability of results.

LGP **strongly contributed to the establishment of CTCs** with center cities of oblast significance (with PULSE support). Since July 2016, the creation of CTCs is a joint result of various donor programs that work in decentralization (including LGP) and national stakeholders (central, regional, and local authorities). It is not possible to attribute the consolidation of local communities since July 2016 to a particular stakeholder or activity (with the exception of the PULSE contribution to consolidation around cities of oblast significance).

Alongside the formal creation of the CTCs, the **internal integration** of citizens from amalgamated settlements into single communities is an important factor for sustainability of reform. **Citizen engagement** is the most crucial factor for ensuring irreversibility of decentralization reform results at the local level. Working directly with CSOs and informal groups of activists is critical for strengthening local democracy, community mobilization, and ensuring irreversibility of changes at the CTC level.

Decentralization reform is still not completed; there is at a "point of return" from which it could move forward or revert back to a centralized system of governance. Because consolidation of local communities is currently voluntary, there is uncertainty over whether decentralization will be completed past the "point of return" from which it could not revert back to a centralized system of governance, with distribution of power between sub-regional authorities issues and CTCs resolved. However, the greatest **risk for decentralization reform** relates to the political uncertainty resulting from the recent presidential election and upcoming parliamentary election campaign.

Organization of **public finance** at the local level requires additional elaboration, with a special focus on establishing a balanced system of contribution to public services shared by several neighboring communities and to a wider harmonization of decentralization with sectoral reforms. The system in which local taxes are paid to the CTC where an enterprise is officially registered has in some cases resulted in increased tensions between neighboring communities competing over public services funds. On the other hand, such a system incentivizes newly organized CTCs to attract business, with potential benefits for local development.

Several factors are contributing to the sustainability of LGP results at CTC level, including: ensuring local ownership by co-financing of community development projects; the participatory approach to strategic planning and developing local programs; the engagement of youth in decision-making; and the development of project-management capacity. The sustainability of LGP results is also supported by an effective multi-channel communication campaign, which targets varied audiences nationally and locally. However, this strategic communication campaign could be further improved and strengthened.

These LGP results will likely be sustainable; however, with the exception of its contribution to the amendment of Ukrainian legislation and introduction of an e-platform for participatory budgeting, the MFSI-II initiative had a limited lasting effect.

## **EVALUATION QUESTION 4: HOW DID THE DOBRE AND PULSE ACTIVITIES COLLABORATE TO ACHIEVE PROJECT SUB-PURPOSE 2: LOCAL GOVERNMENTS EFFECTIVELY MANAGE RESOURCES AND SERVICES THAT RESPOND TO COMMUNITY PRIORITIES?**

### **FINDINGS FOR EQ 4**

#### **PROJECT INITIAL DESIGN**

The Project Appraisal Document (PAD) for LGP calls for three activities to support three components that correspond to each of the project's sub-purposes. PULSE was primarily to be focused on LGP Component 1, "Establishment of sound decentralization framework," (including the adoption and implementation of a sound national decentralization policy), at the same time, PULSE was requested to work on strengthening stakeholder capacity (work that falls under LGP Component 2), and to raise public awareness and public support for decentralization reforms.

According to the PAD, the key implementers of LGP Component 2 were to be MSFI-II (which was operational in 2015) and a new activity, Decentralization Delivering Results for Ukraine (subsequently renamed DOBRE), focused on:

- Strengthening capacities needed by local governments to carry out their responsibilities with emphasis on local government finance and budget,
- Strategic development plans and projects, and
- Elective service delivery improvement projects.

DOBRE was also to focus on LGP Component 3 in targeting citizen engagement in local resource management.

#### **REQUIREMENT OF CLOSE COOPERATION**

LGP's original design necessitated close cooperation between PULSE and DOBRE in addressing capacity-building needs. According to the PAD (p. 39), DOBRE was supposed to implement Components 2 and 3 and also play a coordination role among USAID implementing partners working on decentralization and local governance. Specifically, DOBRE was required to closely collaborate with the PULSE implementer to ensure a coordinated approach, thereby achieving better integration of local government capacity support and citizen engagement.

The need for cooperation was also called out in the PDs of both activities, with the PULSE activity description stating (p. 12) that "all Local Governance implementers are expected to closely collaborate on interventions to jointly achieve objectives." Based on the premise that a concerted

effort by a range of capable actors is needed to realize decentralization reform, the DOBRE PD (p. 21) also specifically required it to adapt the activity's support to CTCs to the pace of decentralization in coordination "with the USAID PULSE project implemented by the Association of Ukrainian Cities."

## COLLABORATION IN PRACTICE

Despite clear references to the need for coordination and cooperation between activities in PAD and PDs, the ET found that PULSE and DOBRE's implementers operate under the impression that LGP's design does not call for close operational-level collaboration, as they were developed as two separate activities complementing each other at LGP's strategic level.

Implementing personnel and two respondents from the national authorities group reported that PULSE, through the AUC national network, collects and analyzes information about the most challenging issues in the amalgamation process and CTC development, which is used for the decentralization framework amendment. For its part, DOBRE collects good practices and elaborates specific methodologies and tools that can be used to inform policies to be adopted at the national level, according to an implementer representative and one decentralization expert.

Both PULSE and DOBRE contribute to information dissemination through national, regional, and local channels through the use of traditional and social media. While the information campaigns of the two activities deliver complementary messages and have different target groups, the lack of coordination between the communication components of the two activities decreases the overall effectiveness and efficiency of LGP support for information dissemination.

Five respondents from the media expert and implementer staff groups described the activities' information campaigns as uncoordinated. Despite the fact that both activities support capacity building and public awareness-raising, the ET found no systematic and well-planned cooperation between PULSE and DOBRE on achieving project Sub-Purpose 2: "Local governments effectively manage resources and services that respond to community priorities." In the words of one decentralization expert, "There is no synergy between PULSE and DOBRE."

Collaboration between the two activities rarely goes beyond occasional joint participation in some knowledge- and information-sharing events. Ongoing coordination and cooperation were not identified in other areas, with the exception of AUC's April 2019 participation in a DOBRE capacity-strengthening training in Kyiv.

Though some coordination meetings between PULSE and DOBRE took place in the past, very limited results of these collaborations are visible or reflected in the reports of LGP activities. Implementers' personnel and reports confirm that coordination meetings between the activities outside the Donors Coordination Board is not systematic.

## CONCLUSIONS FOR EQ 4

LGP was **well-designed and addressed Ukraine's evolving needs** for support in decentralization reform and local government strengthening. The initial project design envisioned the activities' close cooperation in the mutual strengthening of local authorities' capacity to effectively manage resources and services, with DOBRE leading coordination among decentralization and local governance implementing partners. In reality, effective and well-structured **collaboration between the two activities is lacking**, resulting in some systemic duplication of messaging to the same audiences and missed opportunities to reach audiences in other areas.

**Collaboration between DOBRE and PULSE in achieving Sub-Purpose 2 has strong potential.** As both activities contribute to capacity building and public communication, coordination and cooperation in this field could be beneficial; e.g., PULSE informational materials devoted to the successes of consolidated communities could be enriched with convincing examples prepared by DOBRE; DOBRE could use the PULSE/AUC nationwide network for information dissemination. Both activities also could cooperate in the development of methodology and “how to” tools, supporting amalgamation and strengthening established communities. PULSE implementer AUC furthermore monitors the evolving needs of AUC members and assists CTCs in legal and administrative issues, while DOBRE collects examples of good practices from the assisted CTCs. Closer cooperation between the two LGP activities could better inform decentralization policies of national significance.

## **EQ5: TO WHAT EXTENT ARE THE TYPES OF USAID ASSISTANCE DESCRIBED IN THE LGP SCOPE NO LONGER NEEDED IN UKRAINE?**

### **FINDINGS FOR EQ 5**

In 2018, 53% of Ukrainians with some knowledge of decentralization reform said it was moving too slowly, compared to 21% who were satisfied with the pace.<sup>9</sup> All respondents stated that continued USAID support along the lines of the LGP scope of work was needed. At the same time, respondents from various groups of stakeholders noted that the future of decentralization reform is not clear, given the transition of power resulting from the recent presidential elections and anticipated parliamentary elections.

### **UNFINISHED DECENTRALIZATION FRAMEWORK**

The objectives of LGP Component I, “Sound decentralization framework adopted and implemented,” were partially met. According to PULSE reporting, only 40 laws had been adopted with contributions from this activity by the end of 2018, compared to 63 planned. The lack of a relevant legislative framework regulating the administrative and territorial arrangement continues to impede reform. AUC and PULSE “have repeatedly emphasized the need to update the legislation on administrative and territorial system,” according to PULSE reporting.

Further development of the legal basis for decentralization was among the top priorities for future support cited by respondents at all levels of government, as well as by respondents from the experts group. The need to support further development of the decentralization framework was cited by 97% of mini-survey respondents (see Annex K).

Incomplete decentralization reform has led to the partial disintegration of the previous centralized administrative-territorial system (central authority-oblast-rayon, with public-service provision along this line of command) and to its *de facto* coexistence with a new, decentralized model (with increased responsibilities of local authorities at the CTC level). Incomplete reform may adversely affect the 2020 local elections, as well as fiscal decentralization and progress with local governance strengthening overall, according to three KIIs with central authorities, three KIIs with oblast authorities, and 12 KIIs with local authorities.

Another issue related to the unfinished framework is a lack of harmonization of decentralization reforms with sectoral reforms such as health, education, social services, and culture. The state’s

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<sup>9</sup> *Decentralization and the Reform of Local Self-Governance: Results of the Fourth Wave of Sociological Research*, p. 8



uncoordinated approach in this area affects the quality of public services and decreases the effectiveness of public spending at the local level. Due to underfunded state subventions for education and healthcare, local governments must often use their own revenues to supplement state funding for services, forcing them to cut spending on their economic development projects.<sup>10</sup>

Other challenges to ongoing decentralization cited by respondents include:

1. Unclear roles and responsibilities of authorities at different levels (especially current and future functions of rayons), which were mentioned in three KIs with central authorities; three KIs with oblast authorities; and 12 KIs with local authorities;
2. Lack of common understanding among Ukrainian political and administrative institutions of approaches to the second stage of reform and further amalgamation (voluntary vs. mandatory, the inclusion of rural CTCs into urban municipalities, "ideal size of CTC to be sustainable", etc.) Three KIs with central authorities, three KIs with oblast authorities, and two KIs with donors found that key Ukrainian and international institutions supporting decentralization promote different, sometimes conflicting approaches;
3. Eight interviews conducted with CTC representatives made clear that land and boundary issues remain top challenges for local governments;
4. According to four interviews with local governments, unsolved issues with control over assets located on the CTC territory (health institutions, roads, cultural monuments, etc.) create a serious barrier for communities' sustainable development;
5. Lack of understanding at the CTC level of their rights in managing their own sources of revenue, including local taxes and duties, was mentioned in two KIs with CTCs and one KI with a national association.

## EFFECTIVE MANAGEMENT OF RESOURCES AND SERVICES

Work under LGP Component 2, "Local governments effectively manage resources and services that respond to community priorities" is incomplete, according to national- and subnational-level respondents, including the vast majority of CTCs. They said additional assistance is needed in strengthening skills in resources management and public services provision, namely:

1. Support for fiscal decentralization, with a special focus on harmonization of decentralization and sectoral reforms and budgeting at the CTC level. This includes development and adoption of criteria and approaches for optimal local budget allocations with relevant amendments in budget and tax code laws; the further introduction of more accountable and transparent budget allocation on all levels; and further assistance in the application of the PPB tool in a larger number of CTCs.
2. Strengthening of institutional capacities by building the skills of local government personnel at various levels (especially in recently created CTCs), enabling them to assume new roles and responsibilities as a result of decentralization reform.
3. Technical assistance to CTCs in local economic development, including for the expansion of the tax base for CTCs to generate revenues, the attraction of investments, and private-sector development, particularly of SMEs. Most CTC heads said they understand that state subventions are decreasing and the budget responsibilities of local governments already have

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<sup>10</sup> PEA on Decentralization Reform in Ukraine, p. 7

increased over recent years, a trend expected to continue. Under these circumstances, CTCs are looking for opportunities to strengthen officials' skills in this area.

### INCREASED CITIZEN ENGAGEMENT AND IMPROVED TRANSPARENCY

According to the activities' reports and evaluation interviews, interventions under LGP Component 3, "Citizens oversee and engage in decentralization reform implementation," contributed to the improved engagement of communities into local governance and the introduction of more transparent governance models. This was confirmed by interviews with 11 CTC administrations, four Youth Councils, and two CSOs. Targeted work with local youth and community activists on increased engagement into local governance was effective in the assisted communities.

The establishment of Youth Councils and the formalized inclusion of activists into planning and management of local development initiatives contributed to increased inclusion and transparency. Youth interests go beyond improvement of local social and transport infrastructure and include contribution to the local economic development, job creation, and income generation through economic revitalization and SME development.

Representatives of central authorities, decentralization experts, and CTCs said that visible barriers to sustainable CTC development include local residents' passive attitudes and a lack of internal consolidation within amalgamated communities. The impact of tools to increase community consolidation, such as involving local residents in whole-community events or community branding, is not yet clear.

Officials of all visited CTCs cited the need for further support of proactive participation of local citizens in the local governance, with a focus on the promotion of participatory tools to do so. This view was shared by three KIIs with central authorities and three KIIs with national associations.

### SCALE OF REFORM AND NEED FOR FURTHER DECENTRALIZATION PROMOTION

As of May 2019, less than two-fifths of the territory of Ukraine was covered with CTCs and less than one-third of the population lived within CTC borders. Alongside further developing the decentralization framework and building CTC capacities, the need for continued support in the promotion of decentralization reforms was confirmed in interviews with stakeholders.

Both LGP activities support national and subnational authorities in the implementation of a communication strategy through various traditional and social media channels. However, the effectiveness of selected communication channels or the communication strategy in broad are not being monitored and evaluated, according to central government, LGP sub-grantees responsible for the communication component, and media expert respondents.

### CONCLUSIONS FOR EQ 5

In case of continuation of decentralization reform and launch of its Phase II, additional support in **development and adoption of the local governance strategy** is needed. This includes a clear design of the decentralized administrative and territorial system to be introduced—including structure, roles and responsibilities, reporting lines, implications for public finance, and criteria for the CTCs to be established.

Challenges to LGP finalization include an overall uncertainty regarding further implementation of decentralization reform. The whole set of LGP interventions and their implementation modalities **may need to be revised and amended** to take into consideration:

- I. Lack of common vision among key stakeholders of which decentralization model to support;



2. The ongoing contribution of LGP activities to the success of decentralization reform;
3. Presence of other donor-funded initiatives in the area of decentralization and local governance strengthening.

At the same time, LGP activities focused on specific technical issues (for instance, energy-efficient budgeting tools under the scope of MSFI-II) have no lasting effect in the rapidly changing legal and regulatory environment and need not be supported further.

Additional support is needed in the following areas:

1. Contribution to national-level development and adoption of **standardized methods of analysis** supporting decentralization reform and local governance strengthening, including:
  - a. Benchmarking with good international practices;
  - b. Assessment of local potential for CTC economic development;
  - c. Elaboration of criteria for CTC sustainability, including analysis of optimal CTC size;
  - d. Further adoption by CTCs of planning tools for local budgets;
  - e. Assessment of local needs with regard to gender balance and social inclusion.
2. Further **creation and dissemination of policies and formalized approaches** to support organizational change within the decentralization framework:
  - a. “How to ...” tools providing CTCs with step-by-step instructions on local development planning and implementation;
  - b. Engagement of citizens in decision-making and management of local resources;
  - c. Application of gender-balanced analysis, using models and approaches tested during DOBRE implementation.
3. Support for **further consolidation of communities**, from development and testing of workable models to dissemination of good practices at the national level.
4. Institutional and individual **capacity strengthening of local administrations** through:
  - a. Strategic planning, with consideration of special needs of socially vulnerable groups;
  - b. Application of legal requirements to CTC development;
  - c. Budget planning and execution (including expanding local sources of revenue);
  - d. Financial management;
  - e. Local economic development;
  - f. Attracting investment;
  - g. Citizen engagement, transparency, and accountability.
5. Community **engagement in planning and oversight** of local development, with further support for, and scaling up of, best practices in citizen engagement.
6. **Social inclusion**, which is still a relatively new approach, could be considered for further support and promotion at all level of local governance.
7. CTCs expect assistance in introduction of local economic development models and tools to:
  - a. Expand local economic base;
  - b. Unlock local potential;
  - c. Use local resources more effectively;
  - d. Increase investment attractiveness of specific communities;
  - e. Establish communication with potential investors and attract investments;
  - f. Strengthen business skills in the communities; and
  - g. Provide support to local SMEs.

**Youth could be considered as a specific LGP target group** whose role in inclusive and sustainable decentralization outcomes is tied to increasing local economic development opportunities, as well as strengthening entrepreneurship and SMEs.

There is a **lack of clear and well-coordinated LGP communication strategy**. Both PULSE and DOBRE contribute to decentralization promotion in an uncoordinated manner, which decreases the effectiveness and efficiency of the LGP communication campaign as a whole. There is a clear **lack of two-way strategic communication flow at all levels** and a visible need to complete the communication loop by incorporating continuous feedback from citizens.

## V. RECOMMENDATIONS

### RECOMMENDATIONS FOR EQ1

#### 1. USAID SHOULD KEEP AND REFINE THE LGP DEVELOPMENT HYPOTHESIS

While USAID should maintain the key elements of the current hypothesis, it should consider three additional factors for effective implementation: (1) the availability of **drivers of change** in municipal administrations; (2) a **critical mass of activists**; and (3) an **enabling environment**.

#### 2. USAID SHOULD FURTHER SUPPORT MUNICIPAL CAPACITY DEVELOPMENT

Further support of local government capacity development is needed to enable municipalities to effectively manage available resources and provide quality services. Within the LGP framework, it is advisable to identify the most effective types of support for the integration of assisted CTCs and tools for their development (taking into consideration CTC size and their specific needs), scale that assistance for all currently assisted communities, and share them with other communities.

#### 3. USAID SHOULD ASSIST LOCAL CIVIL SOCIETY

USAID should provide more technical assistance to civil society development at the CTC level by focusing on local drivers of change, formal and informal leaders and activists (particularly women and youth), and the capacity building of CSOs to deliver demand-driven community services and provide local governance oversight. Additional support to CSOs should: (1) encourage the registration of informal groups as CSOs; (2) increase support for organizational capacity development; and (3) promote CSO coalitions by providing them with grants for joint activities.

### RECOMMENDATIONS FOR EQ2

#### 4. USAID SHOULD REFINE THE FOCUS OF PULSE

USAID should design the next stage of PULSE in line with its original goals to focus on:

- a. Building the capacity of LGP beneficiaries, especially for rural CTCs, for new responsibilities;
- b. Support to local economic development and expansion of local governments' own sources of revenue, helping ensure local governmental fiscal autonomy; and,
- c. Strategic approach to decentralization and local governance strengthening under conditions of internal political instability and unclear perspectives of reform, specifically on elaboration and adoption of a decentralized administrative and territorial reform model (and relevant legal/regulatory amendments), with balanced Ukrainian and international expertise.

Because AUC is perceived as representing the interests of cities over rural communities, USAID should balance its reliance on AUC as the PULSE implementer with wider Ukrainian and international expertise as well as coordination with USAID development priorities.

#### 5. USAID SHOULD EXPAND ACCESS TO DOBRE

USAID should expand best practices by non-participating municipalities through mechanisms such as a public database, helpline, and placing documents on its website. It should expand the DOBRE scope to convert DOBRE experiences and findings into policies and methods that can be adopted at the national level. USAID should also support exchanges between DOBRE and non-DOBRE CTCs.

#### 6. USAID SHOULD CONTINUE TO PROMOTE DONOR COORDINATION

USAID should continue proactively coordinating donors, specifically focusing on U-LEAD's ongoing activities. Suggestions include sharing evaluation and performance reports among donors, especially U-LEAD and USAID, and more focused in-person donor meetings.

## 7. USAID SHOULD INCREASE SUPPORT FOR WOMEN AND SOCIAL INCLUSION

USAID should expand the Women's Leadership Academy to train citizens at all levels of CTCs.

## RECOMMENDATIONS FOR EQ3

### 8. USAID SHOULD REVISE LGP SUSTAINABILITY AND RISK ANALYSES

Amid changes to governmental development priorities that may accompany the presidential transition and upcoming parliamentary elections, a revision of LGP's Sustainability Analysis is recommended. This should include development of a sustainability strategy for LGP's remaining years, a re-focusing of project activities on greater citizen engagement (at the CTC level), and coordinating local government associations to provide a unified voice in relations with central authorities. LGP's risk analysis should also be revised to update mitigation strategies for any newly identified risks.

### 9. USAID SHOULD PROVIDE FURTHER SUPPORT FOR LOCAL GOVERNANCE REFORM

To increase the sustainability of LGP's interventions, further support for local governance reform is recommended with the consideration of two scenarios:

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| <p><b>a. Provided political will exists to adopt basic legislation for reform, LGP should focus on:</b></p> <ul style="list-style-type: none"><li>i. drafting legislation for mandatory consolidation of local communities;</li><li>ii. administrative territorial arrangements;</li><li>iii. reform of sub-regional level (rayons);</li><li>iv. creation of a new territorial base for local elections in 2020;</li><li>v. mapping the boundaries of territories (CTCs and rayons).</li></ul> | <p><b>b. Absent political will, LGP should:</b></p> <ul style="list-style-type: none"><li>i. continue supporting the consolidation of local communities to maximize coverage by CTCs;</li><li>ii. provide newly established CTCs with technical support (with a focus on capacity building, citizen engagement, and the communication strategy);</li><li>iii. Formulate policies for promotion at the national level.</li></ul> |
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### 10. USAID SHOULD DISSEMINATE INFORMATION ABOUT DECENTRALIZATION REFORM

LGP should intensify the dissemination of information about the success of the decentralization reform and communities' practical achievements in this regard. This could include supporting study tours to successfully decentralized communities in Ukraine and abroad, and identifying a base of successful communities among the assisted CTCs to host internships for representatives of other communities, including those not covered by LGP. LGP should focus on activities for scaling up and disseminating good practices and models acquired during LGP implementation, including the creation of an LGP "Good Practices" and "How to..." platform (possibly with the involvement of SBO).

### 11. USAID SHOULD SUPPORT COOPERATION BETWEEN MUNICIPALITIES

More active support for inter-municipal cooperation between neighboring communities is recommended as an important tool of decentralization strengthening and contribution to sustainability of decentralization reform.

### 12. USAID SHOULD SUPPORT NEW DECENTRALIZATION LEGISLATION

In the implementation of the second stage of decentralization reform, LGP should consider supporting a new legislative basis for local governance strengthening, including financial decentralization and tax revenue distribution among different levels of governance, and elaboration of a common approach to harmonizing sectoral and decentralization reforms with contributions from both LGP activities in coordination with other donors and implementers, notably U-LEAD.

## RECOMMENDATIONS FOR EQ4

### 13. LGP SHOULD ESTABLISH AN INTERNAL COORDINATION MECHANISM

USAID should consider establishing an effective project internal coordination mechanism (in line with the original LGP design as described in its PAD), with a focus on providing technical assistance in the following areas:

1. Capacity building (including use of the Prometheus platform for distance learning—[www.prometheus.org.ua](http://www.prometheus.org.ua));
2. Implementation of an improved communications strategy;
3. Formulation of policies for promotion at the national level.

LGP activities should agree on and introduce more structured formats for collaboration, with systematic exchange of information and coordination of interventions among them.

## RECOMMENDATIONS FOR EQ5

### 14. USAID SHOULD CONTINUE SUPPORT FOR DECENTRALIZATION AND LOCAL GOVERNANCE

In coordination with LGP activities and other donors, USAID support should focus on:

- a. National strategy of decentralization and related legal and regulatory framework;
- b. Support for fiscal decentralization;
- c. Standardized methods of analysis and approach to organizational change supporting decentralization reform and local governance strengthening;
- d. Local economic development to ensure sustainability of decentralization;
- e. Capacity building, with a special focus on local/CTC level;
- f. Citizen engagement, transparency, and accountability of local governments;
- g. Strategic communication plan for engaging citizens in two-way communication.

### 15. USAID SHOULD SUPPORT HARMONIZATION OF REFORMS

Methodological support for harmonization of sectoral and decentralization reforms is recommended, with contributions from both LGP activities and alongside other donors and implementers, primarily U-LEAD. If the developed approach meets USAID/Ukraine expectations and standards, ongoing support for harmonization could be left to U-LEAD, with no further disbursement of USAID resources.

### 16. USAID SHOULD STRENGTHEN LOCAL ECONOMIC DEVELOPMENT SUPPORT

Within the LGP framework, it is recommended that greater attention be paid to local economic development, including expanding CTCs' own sources of revenues, identifying and presenting local opportunities, formulating investment passports, improving communication with potential investors, and supporting SMEs and the development of business skills, including those youth, women, and vulnerable groups.

### 17. USAID SHOULD STRENGTHEN THE LGP COMMUNICATION STRATEGY

USAID should introduce a mechanism to support more active collaboration between PULSE and DOBRE in LGP's communication strategy, with special attention to the mechanism for monitoring communication effectiveness and efficiency, as well as tools for two-way communication.

## VI. LESSONS LEARNED

**Dissemination and adoption of policies and practices nationwide:** Legal and regulatory changes in decentralization at the national level should lead to changes in the planning and operations at the level of oblasts, municipalities, and communities. Support from DOBRE in well-structured CTC development in the limited number of oblasts could be enriched with the contribution from PULSE and successfully reproduced in other regions to help ensure the sustainability of LGP outcomes.

**Coordination with key development actors in the field of privatization in Ukraine:** Information sharing, consultation, and coordination of planned activities between donors and major implementing partners is critical for avoiding overlap of local governance-strengthening initiatives, and should contribute to their complementarity, increase effectiveness and efficiency, and create more favorable conditions for sustainability, in line with national and donor development priorities.

**Use of local and international experts:** The successful experience of LGP activities indicates that the use of highly experienced, and qualified local experts should be the standard where such experts are available. However, the involvement of international expertise is also beneficial as Ukrainian communities benefit from good international practices and local experts benefit from further capacity building.

**Standardization of communication, monitoring, and reporting procedures within activities:** A detailed communication protocol, monitoring and standard reporting requirements should be established within each activity responsible for project implementation, especially where there is a substantial number of partners and sub-grantees with various capacities experienced in implementing USAID-funded projects.

**Provision of implementing partners with detailed formulation and quantification of anticipated activities:** LGP should be supported with a detailed description of activities and quantifiable indicators directly linked to impact in its project documents. It is also recommended to have detailed budgets that are allocated to specific interventions and delivery timetables.

**Well-targeted and organized communication:** An emphasis on a professionally developed and implemented communication strategy with adequate resource allocation is critical for achieving the anticipated outcome. The communication component should have a dedicated and adequate budget and should be run by communication experts who work with technical experts on "popularizing" results/outputs among target audiences. Such communication should be two-way; feedback from the target audience should be monitored and assessed to inform corrective measures.

**Visibility vs. awareness:** LGP activities should move from ensuring compliance with USAID "branding" guidelines toward ensuring the widest awareness of USAID's support to Ukraine. A crucial element for achieving this is building a solid communication component into all activities.

## **VII. ANNEXES**

See separate attachments file.

**ANNEX A: EXECUTIVE SUMMARY IN UKRAINIAN**

**ANNEX B: EVALUATION STATEMENT OF WORK**

**ANNEX C: DESCRIPTION OF THE EVALUATION TEAM AND QUALIFICATIONS**

**ANNEX D: CONFLICT OF INTEREST STATEMENTS**

**ANNEX E: FINAL EVALUATION WORKPLAN AND FIELD WORK SCHEDULE**

**ANNEX F: DOCUMENTS REVIEWED**

**ANNEX G: LISTS OF KEY INFORMANTS AND SURVEY RESPONDENTS**

**ANNEX H: DATA COLLECTION TOOLS**

**ANNEX I: METHODOLOGY DETAILS**

**ANNEX K: MINI-SURVEY RESULTS**

**ANNEX L: FOLLOW-UP SURVEY RESULTS**

**ANNEX M: FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS MATRIX**





PHOTO CREDIT: ALEXANDER GROUSHEVSKY

# UKRAINE LOCAL GOVERNANCE PROJECT WHOLE-OF-PROJECT EVALUATION

## Annexes

# UKRAINE LOCAL GOVERNANCE PROJECT WHOLE-OF-PROJECT EVALUATION

## Annexes

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USAID Ukraine

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## LIST OF ANNEXES

I. Annex A: Executive Summary in Ukrainian .....	2
II. Annex B: Evaluation Statement of Work .....	8
III. Annex C: Description of Evaluation Team .....	17
IV. Annex D: Conflict of Interest Disclosures .....	19
V. Annex E: Evaluation Field Work Schedule .....	23
VI. Annex F: List of Documents Reviewed .....	25
VII. Annex G: List Interviews and Survey Participants.....	28
VIII. Annex H: Data Collection Tools.....	30
IX. Annex I: Evaluation Methodology.....	48
X. Annex K: Mini-Survey Results .....	55
XI. Annex L: Follow-Up Results .....	66
XII. Annex M: Findings, Conclusions, and Recommendations Matrix.....	82

# I. ANNEX A: EXECUTIVE SUMMARY IN UKRAINIAN

## КОРОТКИЙ ОГЛЯД

### МЕТА ТА ЗАПИТАННЯ, ЩО ЗАСТОСОВУВАЛИСЬ ПРИ ОЦІНЦІ

Агентство з міжнародного розвитку США (USAID) в Україні залучили організацію «Social Impact» (SI) до проведення загальної оцінки Проекту місцевого самоврядування (LGP) з березня по травень 2019 року. Мета цієї оцінки *«дослідити правильність теорії змін Проекту «LGP», оцінити співробітництво між імплементуючими механізмами USAID, а також визначити, як треба змінити підхід USAID для ефективнішого посилення місцевого врядування».*

*Гіпотеза розвитку Проекту місцевого самоврядування*

ЯКЩО...

Уряд України закладатиме міцні підвалини для децентралізації, місцеві органи самоврядування ефективно управлятимуть ресурсами та послугами, а громадяни залучатимуться до процесів місцевого самоврядування та забезпечуватимуть контроль...

ТО...

місцеве врядування буде прозорішим, більш колегіальним та підзвітним громадянам.

### ЗАПИТАННЯ, ЩО ЗАСТОСОВУВАЛИСЬ ПРИ ОЦІНЦІ

1. Наскільки правильна гіпотеза розвитку Проекту «LGP» «ЯКЩО Уряд України закладатиме міцні підвалини для децентралізації, місцеві органи самоврядування ефективно управлятимуть ресурсами та послугами, а громадяни залучатимуться до процесів місцевого самоврядування та забезпечуватимуть контроль, ТО місцеве врядування буде прозорішим, більш колегіальним та підзвітним громадянам»?
2. Наскільки допомога USAID сприяла досягненню мети проекту щодо зміцнення місцевого урядування?
3. Наскільки допомога USAID сприяла впровадженню реформи органів місцевого самоврядування, яка об'єднала громади?
4. Як програми «DOBRE» та «PULSE» співпрацювали для досягнення під-мети 2: Місцеві органи самоврядування ефективно управляють ресурсами та послугами, які ефективно задовольняють пріоритетні потреби громад?
5. Наскільки все ще потрібна допомога USAID, описана в технічному завданні проекту «LGP», для України?

### ПЕРЕДУМОВИ ТА КОНТЕКСТ

Хоча Уряд України проводить заходи з децентралізації вже декілька років і на сьогоднішній день децентралізація вважається найбільш успішною реформою в Україні, її впровадження натикається на значне політичне протистояння, реформа проводиться фрагментовано та їй не вистачає узгодженої політики.<sup>1</sup>

Запущений в 2015 році Проект «LGP» складається з трьох програм: Розробка курсу на зміцнення місцевого самоврядування в Україні («PULSE»), Децентралізація приносить кращі результати та

<sup>1</sup> Фінальний звіт проведеного за підтримки USAID Політекономічного аналізу реформи децентралізації в Україні, вересень 2018.

ефективність («DOBRE») та Зміцнення місцевої фінансової ініціативи («MFSI-II»). Всі ці програми були створені для підтримки заходів Уряду України, що направлені на покращення добробуту українців, шляхом зміцнення місцевого врядування, залучення місцевих жителів до управління ресурсами та бюджетами, вдосконалення ділового та інвестиційного клімату для підтримки економічного та соціального розвитку, а також покращення надання громадських послуг.

## МЕТОДИ ОЦІНКИ ТА ОБМЕЖЕННЯ

Команда оцінки переглянула відповідні документи (див. *Додаток F*) та провела 156 напівструктурованих опитувань ключових надавачів інформації та групових обговорень із співробітниками USAID та програм, що впроваджують проект, українськими посадовцями на всіх урядових рівнях, представниками громади та зовнішніми експертами. Команда оцінки також провела міні-дослідження серед жителів об'єднаних громад та наступні опитування ключових надавачів інформації, а також спостереження дев'яти різних програм та сфер, які спонсорує Проект «LGP».

Після консультацій в м. Київ Команда оцінки відвідала 21 громаду та місто в семи областях України. Аналіз даних включав аналіз сприяння з метою оцінки впливу результатів та впливу програм «LGP», стандартний описовий статистичний аналіз, різні типи якісного аналізу описової інформації, аналіз недоліків та отриманого досвіду. Основні обмеження оцінки включають недостатність часу, щоб охопити велику географічну територію проекту «LGP», труднощі оцінки певних основних надавачів інформації та деяких сфер, а також час оцінювання, який співпав з виборами Президента України.

## РЕЗУЛЬТАТИ ТА ВИСНОВКИ

### ЗАПИТАННЯ ОЦІНКИ 1

Значною мірою, гіпотеза розвитку Проекту «LGP» правильна. До гіпотези можна включити три додаткових фактори стосовно потреби в: (1) наявності чинників змін; (2) критичній масі активістів; (3) сприятливому середовищі.

В ході наступного етапу реформ необхідно забезпечити **подальшу розробку основи децентралізації** щоб: (1) чітко визначити адміністративно-територіальну систему; (2) завершити об'єднання громад; (3) визначити ролі та обов'язки органів влади на різних рівнях, щоб уникнути дублювання функцій; та (4) уточнити обов'язки різних рівнів уряду щодо фінансування та управління місцевою інфраструктурою, як то дороги та соціальна інфраструктура.

Ефективне управління ресурсами та наданням послуг на місцевому рівні залежить від **політичної волі, ключових місцевих чинників змін та місцевого потенціалу управління**. Загалом, в громадах, які отримували допомогу від проекту «LGP», спостерігалися покращення доступу до та якості громадських послуг, але результати залежать від гармонізації децентралізації з галузевими реформами, а також пріоритетами та потенціалом конкретних громад.

Хоча прозорість Уряду та залучення громадян до місцевого врядування підвищились, залишається проблема **недостатнього контролю управління ресурсами** з боку громадян через їхні обмежені знання та навички для його здійснення.

### ЗАПИТАННЯ ОЦІНКИ 2

Проект «LGP» **допоміг зміцнити місцеве самоврядування** в Україні завдяки трьом програмам та досяг успіхів на шляху до досягнення очікуваних результатів.





Верхнє фото: коробка для збору рекомендацій громадян.

Нижнє фото: Зала об'єднаної територіальної громади, що використовується для проведення зустрічей керівників та громадян.

ФОТО: КАТЕРИНА ЦЕЦЮРА

Програма «PULSE» підтримувала процес об'єднання шляхом її участі в **розробленні законодавчої та регуляторної бази** щодо децентралізації, але процес об'єднання незавершений через політичні причини. Відповідно до очікуваних результатів, Програма «PULSE» сприяла розвитку потенціалу та розповсюдженню інформації по всій країні через мережу Асоціації міст України (АМУ) та мережу, започатковану партнером Програми «IREX». Програма «PULSE» також сприяла місцевому економічному розвитку та збільшила ресурси місцевих органів самоврядування. Однак, хоча АМУ і має представництва для об'єднаних територіальних громад (ОТГ) та невеликих міст, представники невеликих та сільських ОТГ мали сумнів щодо зацікавленості АМУ в захисті їхніх інтересів та розглядали їх як репрезентативні для більших міст.

Програма «DOBRE» сприяла впровадженню реформи децентралізації **на рівні ОТГ**; програма, загалом, знаходиться на шляху до сприяння зміцненню місцевого врядування та досягнення очікуваних результатів. Програма «MFSI-II» сприяла розробленню національних норм, працюючи безпосередньо з Міністерством фінансів, а також допомогла впровадити **інструменти управління місцевими бюджетами** на обласному рівні.

Узгодженість заходів донорів важлива для ефективного надання технічної допомоги Україні та має позитивний вплив на хід децентралізації та забезпечення життєздатності. Створений механізм забезпечення узгодженості діяльності донорів довів свою користь та ефективність **на стратегічному рівні**, але можуть знадобитися додаткові зусилля для покращення узгодженості діяльності донорів на операційному рівні.

Впровадження **планування та аналізу з урахуванням гендерних особливостей** сприяло кращому врахуванню потреб вразливих груп населення місцевою владою та громадами. Однак, незважаючи на позитивні зміни, впроваджені Проектом «LGP», загальне розуміння підходу до врядування на рівні громади з урахуванням гендерних особливостей необхідно популяризувати й надалі.

### ЗАПИТАННЯ ОЦІНКИ 3

USAID було забезпечено необхідну підтримку в об'єднанні громад шляхом створення законодавчої бази для такого об'єднання, надання технічних рекомендацій центральним, регіональним та місцевим органам влади щодо практик децентралізації та впровадження практичних моделей та інструментів на рівні ОТГ з метою досягнення явного результату, який можна побачити по

всій країні. Добре збалансоване застосування різноманітних та взаємодоповнюючих типів технічної допомоги є сильною стороною Проекту «LGP», і це забезпечує сталість втручань.

**Проект «LGP» зробив значний внесок у створення ОТГ з центральними містами** обласного значення. До досягнень попередньої програми USAID відносять сприяння початковому раунду об'єднання, але консолідація місцевих громад з липня 2016 року **не може вважатися надбанням** лише однієї зацікавленої сторони або програми завдяки випереджуючим політикам українських посадовців та участі інших донорів.

Внутрішня інтеграція місцевих жителів з об'єднаних населених пунктів у єдину громаду є вкрай важливим фактором для забезпечення життєздатності реформи місцевого врядування; проект сприяв залученню жінок, людей похилого віку, молоді, людей з інвалідністю, меншин та ВПО в розвиток громади.

Реформа з децентралізації **ще не завершена** і найбільший ризик для її виконання пов'язаний з політичною невизначеністю після президентських виборів та прийдешніх парламентських виборів. Організація державного фінансування на місцевому рівні вимагає додаткової методологічної підтримки, зосередженої на створенні збалансованої системи внесків для забезпечення фінансування громадських послуг, спільного для декількох сусідніх громад, та для ширшої гармонізації децентралізації з галузевими реформами.

Декілька чинників впливають на сталість результатів Проекту «LGP» на рівні ОТГ, в тому числі **підхід із спільною участю** до стратегічного планування та розроблення місцевих програм, забезпечення **відповідальності на місцях**, шляхом спільного фінансування інфраструктурних проектів, **залучення молоді** до прийняття рішень та розвиток **потенціалу** в управлінні проектами. Сталість Проекту «LGP» також забезпечується ефективною комунікаційною кампанією, направленою на різні аудиторії як на національному, так і на місцевому рівні, та застосовує різні комунікаційні канали, такі як друковані ЗМІ, ТБ, радіо, соціальні мережі та інформаційні стенди в селах. Однак, комунікаційну кампанію можна й надалі вдосконалювати та зміцнювати.

#### ЗАПИТАННЯ ОЦІНКИ 4

Проектна документація Проекту «LGP» передбачає тісну співпрацю між програмами «PULSE» та «DOBRE» в задоволенні потреб розвитку потенціалу, але виконавці цих програм не вбачають потреби в співробітництві. В результаті, команда оцінки не виявила співпраці між програмами «PULSE» та «DOBRE» при досягненні під-мети 2: «Місцеві органи самоврядування ефективно управляють ресурсами та послугами, які ефективно задовольняють пріоритетні потреби громад». Співпраця між двома програмами рідко виходить за межі випадкової спільної участі в деяких заходах обміну знаннями та інформацією, і даних щодо постійної узгодженості та співпраці в інших сферах було виявлено мало.

Співпраця між програмами «PULSE» та «DOBRE» в досягненні під-мети 2 **має великий потенціал**. Обидві програми сприяють не лише розвитку потенціалу, а й громадським комунікаціям.

#### ЗАПИТАННЯ ОЦІНКИ 5

Якщо реформа децентралізації продовжуватиметься як передбачається первинною концепцією, необхідна буде додаткова підтримка в розробленні та прийнятті стратегії місцевого врядування, в т.ч. представлення чіткого уявлення адміністративної та територіальної системи. Майбутнє реформи



децентралізації невизначене при новому Президенті та можливій зміні Уряду після прийдешніх парламентських виборів. **Може бути необхідність переглянути** весь набір втручань Проекту «LGP» та модальності їхнього впровадження таким чином, щоб вони враховували:

- Відсутність спільного бачення серед зацікавлених сторін щодо того, яку модель децентралізації слід просувати;
- Поточний внесок програм Проекту «LGP» в успіх реформи децентралізації;
- Присутність інших ініціатив в сфері децентралізації та зміцнення місцевого самоврядування, що фінансуються донорами.

**Додаткова підтримка необхідна** в таких сферах:

- Внесок у розроблення та прийняття на національному рівні стандартизованих методів аналізу, які підтримують реформу децентралізації;
- Подальше розроблення та розповсюдження формалізованих інструментів для підтримки процесів об'єднання та розвитку створених ОТГ;
- Участь громади в плануванні та контролі місцевого розвитку з подальшою підтримкою розповсюдження передових практик ефективного залучення громадян;
- Соціальну інтеграцію слід пропагувати на всіх рівнях місцевого врядування;
- Вироблення та впровадження моделей та інструментів місцевого економічного розвитку.

Програми Проекту «LGP», що зосереджуються на конкретних технічних проблемах, не мали тривалого ефекту в законодавчому/регуляторному середовищі, що швидко змінюється, та їх слід підтримувати й надалі.

Молодь можна виділити як **специфічну цільову групу Проекту «LGP»**, яка зацікавлена у всеохоплюючих та сталих результатах децентралізації, в т.ч. можливостях, які дає місцевий економічний розвиток та зміцнення підприємництва, а також малого і середнього бізнесу.

**Відсутність** чіткої та **добре узгодженої комунікаційної стратегії Проекту «LGP»**. І «PULSE», і «DOBRE» роблять неузгоджений внесок в просування децентралізації, що знижує ефективність та результативність комунікаційної кампанії Проекту «LGP» в цілому.

## **РЕКОМЕНДАЦІЇ<sup>2</sup>**

- 1.** USAID слід залишити та вдосконалити гіпотезу розвитку Проекту «LGP».
- 2.** USAID слід продовжувати підтримувати розвиток місцевого потенціалу.
- 3.** USAID слід надавати допомогу місцевому громадянському суспільству.
- 4.** USAID слід змінити зосередженість програми «PULSE».
- 5.** USAID слід розширити доступ до заходів програми «DOBRE».
- 6.** USAID слід продовжувати сприяти узгодженості заходів донорів.
- 7.** USAID слід збільшити підтримку жінок та соціальне залучення.
- 8.** USAID слід переглянути питання сталості та аналіз ризику Проекту «LGP».
- 9.** USAID слід надавати подальшу підтримку в реформуванні місцевого врядування.

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<sup>2</sup> Нижче наведено лише узагальнені рекомендації. Повний текст рекомендацій наведено в повному звіті.

- I0.** USAID слід розповсюджувати інформацію про реформу децентралізації.
- I1.** USAID слід підтримувати співробітництво між місцевими органами влади.
- I2.** USAID слід підтримувати нове законодавство в сфері децентралізації.
- I3.** Проекту «LGP» слід створити внутрішній механізм узгодження зусиль.
- I4.** USAID слід продовжувати надавати підтримку в сфері децентралізації та місцевого врядування.
- I5.** USAID слід підтримувати гармонізацію реформи децентралізації та галузевих реформ.
- I6.** USAID слід посилити підтримку місцевого економічного розвитку.
- I7.** USAID слід зміцнити комунікаційну стратегію Проекту «LGP».

## II. ANNEX B: EVALUATION STATEMENT OF WORK

### STATEMENT OF WORK LOCAL GOVERNANCE PROJECT EVALUATION

#### I. SUMMARY

This is a Statement of Work (SOW) for a Whole-of-Project Evaluation (WOPE) of the USAID-Ukraine's Local Governance Project (LGP), summarized below:

Project Title	Ukraine Local Governance Project	
Project Purpose	Strengthen local governance to deepen democracy, improve conditions for development of communities and promote stability	
Project Sub-Purposes	Sound decentralization framework adopted and implemented Local governments effectively manage resources and services that respond to community priorities Citizens oversee and engage in decentralization reform implementation	
Activities contributing to the project Purpose and Sub-Purposes	Policy for Ukraine Local Self Governance (PULSE)	December 2015 - December 2020
	Decentralization Offering Better Results and Efficiency (DOBRE)	June 2016 - June 2021
	Municipal Finance Strengthening Initiative (MFSI-II)	October 2011 - December 2017
Project Start/End Date	2015 - 2020	
Target Funding Level	\$63,025,000	

#### 2. EVALUATION PURPOSE

The purpose of this evaluation is to examine the soundness of the LGP theory of change, evaluate collaboration among USAID implementing mechanisms, and identify adjustments to USAID's approach that would more effectively strengthen local governance.

#### 3. USE OF EVALUATION FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

Findings, conclusions, and recommendations from this evaluation will inform the design of projects and activities to achieve local governance-related results under USAID/Ukraine's new Country Development Cooperation Strategy (CDCS) 2018-2023. USAID will also use evaluation findings to adjust its approach to coordination among USAID activities, as well as collaboration with other donor-funded decentralization programs and with host central and local government counterparts.

#### 4. BACKGROUND AND DEVELOPMENT CONTEXT

LGP was designed in 2015 to respond to the momentum for decentralization reform created after the Revolution of Dignity and 2014 Presidential and Parliamentary elections. The design was informed by USAID's 2014 Local Governance Assessment, which found widespread public support and political will for decentralization at the time, as well as USAID's significant experience supporting decentralization

reform in Ukraine. The LGP was designed to contribute primarily to Development Objective (DO) 1: More Participatory, Transparent and Accountable Governance Processes in USAID/Ukraine's 2012-2018 CDCS.<sup>3</sup> It also contributes to CDCS DO 2: Broad-Based, Resilient Economic Development as a Means to Sustain Ukrainian Democracy and DO 3: Improved Health Status in Focus Areas and Target Groups. Two new activities, Policy for Ukraine Local Self-Governance (PULSE) and Decentralization Offering Better Results and Efficiency (DOBRE), were designed to contribute to this Project Purpose and associated Sub-Purposes; an existing activity, the Municipal Finance Strengthening Initiative (MFSI) was incorporated into the Project Appraisal Document (PAD). Activity design, particularly that of DOBRE, was heavily informed by concurrent large-scale decentralization programs planned by the European Union (EU) and United Nations Development Programme (UNDP), with which these activities were expected to coordinate.

As described in the LGP Project Appraisal Document (PAD)<sup>4</sup>, decentralization reforms were part of the post-EuroMaidan Government of Ukraine's (GOU) response to satisfy public demands for comprehensive reform and protect Ukraine from Russia's aggression. Defined as the transfer of power and resources from national governments to sub-national governments, or to the sub-national administrative units of national governments, decentralization strengthens democratic governance by reducing the distance between citizens and their government.<sup>5</sup> For Ukraine, decentralization is also seen as a mechanism for strengthening the Ukrainian state. The Ukrainian government hopes decentralization can be a powerful tool for countering Kremlin influence and pro-separatist sentiments in the east by activating and institutionalizing democratic interactions in thousands of localities around the country and incorporating the views of Ukraine's diverse communities into decision making while transferring authority and resources to the community level.

The problem that the LGP sought to address was of Ukraine's ineffective self-government at the local and regional level, which was unresponsive to local needs, underfunded and disempowered by an overly centralized system, and weakened by rampant corruption. USAID believed that the fragile condition of local governance threatened Ukraine's stability, economic development and democratic progress.

Although Ukraine has long had the legislation in place to carry out most aspects of decentralization, implementation has been uneven due to corruption and informal power structures throughout the country. Rights to local self-governance encompassing significant elements of state decentralization have been guaranteed since the 1996 constitution and the 1997 "Law on Local Self-Governance in Ukraine." Nonetheless, most of these rights have not been fully exercised, and the central government generally controlled local affairs. There was an attempt to increase decentralization during former President Yushchenko's presidency, and a thorough blueprint was prepared in a draft law, but the little progress that was made was reversed under President Yanukovich's administration. The current government's plan is largely based on the Yushchenko administration attempt, which borrowed heavily from Poland's successful decentralization reform.

The LGP **development hypothesis** stated that: "IF the GOU implements a sound framework for decentralization, local governments effectively manage resources and services, and citizens engage in local governance processes and provide oversight, THEN local governance will be more transparent, participatory, and accountable to citizens."

The LGP Sub-Purposes and associated elements of the development context are summarized below:<sup>6</sup>

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<sup>3</sup> Available at [https://www.usaid.gov/sites/default/files/documents/1863/USAID\\_Ukraine\\_CDCS\\_2012-2016.pdf](https://www.usaid.gov/sites/default/files/documents/1863/USAID_Ukraine_CDCS_2012-2016.pdf).

<sup>4</sup> To be provided to the Contractor.

<sup>5</sup> USAID Democratic Decentralization Programming Handbook (2009), available at: [https://pdf.usaid.gov/pdf\\_docs/PNAEA460.pdf](https://pdf.usaid.gov/pdf_docs/PNAEA460.pdf)

<sup>6</sup> Additional detail is provided in the Local Governance PAD, which will be provided to the Contractor by USAID.

Sub-purpose	Responds to the following underlying causes
1. Sound decentralization framework adopted and implemented	Highly centralized decision making and resources, overlapping responsibilities and unclear mandates
2. Local governments effectively manage resources and services that respond to community priorities	Corruption and lack of transparency, poorly delivered public services, oligarch and elite capture of local government, nascent local government capacity
3. Citizens oversee and engage in decentralization reform implementation	Weak mechanisms for citizen oversight and input, public unaware/ill-informed about decentralization reforms

The activities contributing to the LGP are:

- Policy for Ukraine Local Self Governance (PULSE) activity, implemented by the Association of Ukrainian Cities (AUC) under Cooperative Agreement No. AID-121-A-16-0000. The period of performance is December 2015 - December 2020, and the total estimated cost is \$8,000,000.
- The Decentralization Offering Better Results and Efficiency (DOBRE) program, implemented by Global Communities under Cooperative Agreement No. AID-121-A-16-00007. The period of performance is June 2016 - June 2021, and the total estimated cost is \$50,000,000.
- The Municipal Finance Strengthening Initiative II (MFSI-II) activity, implemented by the Institute for Budgetary and Socio-Economic Research (IBSER) under Cooperative Agreement No. AID-121-A-11-00006. The period of performance was October 2011 - December 2017, and the total estimated cost was \$4,711,130.

Since 2015, the political context for decentralization and USAID's programming have evolved. Decentralization is widely seen as one of the most positive and successful reforms initiated following the Revolution of Dignity, although progress on territorial consolidation remains uneven across the country and understanding of the benefits of amalgamation is not yet widespread.<sup>7</sup> At the same time, formal and informal power structures remain threatened by the prospect of decentralizing power and budgets to the community level. Volodymyr Groysman became Prime Minister in April 2016 after serving as Speaker of the Verkhovna Rada. His promotion was widely viewed as a win for decentralization reform. The EU, as well as other decentralization development partners, are considering potential programming and collaboration to follow DOBRE and its analogous programs. Presidential and parliamentary elections in 2019 lend an additional element of uncertainty to the current political context for decentralization, in particular prospective constitutional amendments.

## Evaluation Scope of Work

In particular, the Contractor must answer the following questions:

1. To what extent is the LGP development hypothesis, "If the GOU implements a sound framework for decentralization, local governments effectively manage resources and services, and citizens

<sup>7</sup> USAID/Ukraine Decentralization Political Economy Analysis (PEA), to be provided to the Contractor.

engage in local governance processes and provide oversight, THEN local governance will be more transparent, participatory, and accountable to citizens,”<sup>8</sup> valid?<sup>9</sup>

2. To what extent did USAID assistance advance the project purpose of strengthening local governance?<sup>10</sup>
3. To what extent did USAID assistance contribute to the implementation of local government reforms that consolidated communities?<sup>11</sup>
4. How did the DOBRE and PULSE activities collaborate to achieve project Sub-Purpose 2: Local governments effectively manage resources and services that respond to community priorities?
5. To what extent are the types of USAID assistance described in the LGP scope no longer needed in Ukraine?<sup>12</sup>

The Contractor must ensure that this evaluation is consistent with: USAID ADS 201, 320, 578, and all other relevant chapters and mandatory references; USAID’s Evaluation Policy (January 2016) requirements and recommendations; and USAID/Ukraine Regional Mission Order MO201-4 - Evaluation. When planning and conducting the evaluation, the Evaluation Team (ET) will make every effort to incorporate input from all key stakeholders, including from the GOU, civil society, mass media, private sector organizations, other donors, and USAID and non-USAID implementing partners. The Contractor must visit relevant activity sites in at least six municipalities of varying size in at least three oblasts.

In answering evaluation questions, the ET must highlight gender specific approaches promoted by the project activities and practiced by partners, as well as outcomes of utilizing those approaches.

The Contractor should plan to conduct field work in the fall and winter of 2018 and submit draft Evaluation Report (ER) no later than February 2018.

## Evaluation Design and Methodology

The Contractor is responsible for proposing an evaluation design and methodology that will address the purpose of the LGP WOPE and comprehensively answer the evaluation questions. It is anticipated that a mix of evaluation methodological approaches will be required to meet the requirements outlined in this SOW. Suggested data sources include: (a) secondary data/background documents, (b) PULSE, DOBRE and MFSI-II plans, outputs, and reports, (c) relevant laws and central government regulations and policy documents, (d) key informant interviews (KIIs), (e) focus group discussions (FGDs), (f) survey(s) of PULSE, DOBRE and MFSI-II stakeholders and beneficiaries, (g) case study data, and (h) visits to PULSE, DOBRE and MFSI-II sites, as well as visits to locations that might serve as a comparison.

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<sup>8</sup> See Section IV above. The development hypothesis comes from the Local Governance Project Approval Document.

<sup>9</sup> In response to this question, the Contractor must provide recommendations on how USAID should update the development hypothesis to suit the current development context, taking into account both lessons learned during prior implementation and observed shifts and trends in the operating environment.

<sup>10</sup> In response to this question, the Contractor’s conclusions must consider other donors’ decentralization efforts, as well as opportunities for leveraging of efforts that USAID did or did not take. The Contractor’s recommendations must highlight available opportunities for strengthening local governance either unilaterally or in partnership with other development actors, including opportunities anticipated to emerge in the future if circumstances change.

<sup>11</sup> The Contractor’s conclusions should address the extent to which reforms enacted as a result of the project are sustainable (e.g., the whether results of the reforms are irreversible).

<sup>12</sup> This question asks about assistance no longer needed, whether as a result of USAID assistance or not as a result of USAID assistance. USAID seeks to move Ukraine toward self-reliance. Thus, the Contractor should refer to USAID’s Journey to Self Reliance approach in articulating findings, conclusions, and recommendations. (See, e.g., USAID, The Journey to Self Reliance, available at <https://www.usaid.gov/selfreliance>).

Emphasis must be placed on collection of reliable empirical data and/or objectively verifiable evidence, as opposed to anecdotal evidence. Where surveys or interviews are used, appropriate sampling and questioning techniques must be utilized to ensure representative results. Where references are made to data generated by USAID implementing partners and/or their partners, these references must be complemented by references to independent data sources and any significant data differences must be explained.

To answer the specific evaluation questions, the contractor should consider the following data collection methods in developing its evaluation methodology: (1) review PULSE, DOBRE and MFSI-II plans, reports, publications and other outputs, as well as secondary data/background documents, including those that describe or assess the activities of PULSE, DOBRE and MFSI-II partners and beneficiaries; (2) conduct FGDs with PULSE, DOBRE and MFSI-II stakeholders; (3) conduct surveys of PULSE, DOBRE and MFSI-II stakeholders including organizations that might serve as comparisons to PULSE, DOBRE and MFSI-II partners; (4) conduct KIs with PULSE, DOBRE and MFSI-II partners and other stakeholders using structured or semi-structured interview protocols; and (5) conduct site visits. Direct observations, case studies, and site visits may also be informative.

Evaluation design, methodology, data collection, analysis and reporting must adequately capture the situations and experiences of both males, and females participating in and/or benefitting from PULSE, DOBRE and MFSI-II activities. The Contractor must consider methods that are capable of identifying both positive and negative unintended consequences for women. The Contractor must also consider factors that might influence the likelihood that disproportionate numbers of males and females will participate in evaluation data collection. Evaluation data collection instruments and protocols must reflect an understanding of gender roles and constraints in a particular cultural context and reflect local contexts and norms concerning the conditions under which women (or men) feel empowered to speak freely. Where possible, FGDs and KIs must be designed to reflect the perspectives of PULSE, DOBRE and MFSI-II beneficiaries, as well as the perspectives of the implementing partners that carried out the work.

## Data Collection and Analysis

The Contractor must complete the following table as part of its detailed design and evaluation plan.<sup>[1]</sup>

Evaluation Question	Data Source	Data Collection Method (including sampling methodology, where applicable)	Data Analysis Method



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*[1] Another format may be used if the table is not preferred, but any chosen format should contain all the information specified for each question. The ET should consider starting its work with a desk review of the documents cited in the Relevant Information Sources section below. The Contractor should use the best available methods and tools that will deliver an unbiased, relevant and transparent evaluation.*

## **Relevant Information Sources**

Once awarded USAID will provide the evaluation team with a package of briefing materials, including:

- The Local Governance Project Appraisal Document (i.e., the design of the project underlying this evaluation)
- 2014 Local Governance Assessment
- PULSE Program Description
- DOBRE Program Description
- MFSI-II Program Description
- MFSI-II Final Report
- PULSE Quarterly Reports
- DOBRE Quarterly Reports
- MFSI-II PMP
- PULSE MEL Plan
- DOBRE MEL Plan
- USAID/Ukraine Performance Plans and Reports
- USAID/Ukraine 2012-2018 CDCS

## **Evaluation Key Personnel Qualifications and Composition**

An Evaluation Team Leader, Evaluation Specialist, and Local LG and Decentralization Specialist will be key personnel under this SOW. Any substitutes to the proposed key personnel must be vetted and approved by the Evaluation COR before they begin work. The Contractor must consider gender when composing both key personnel and non-key personnel for the ET. One or more Key Personnel team members must have experience in engendered evaluation methods and knowledge of gender issues in the LG and decentralization reform processes. The ET must also include one or more Key Personnel team members with local cultural expertise, including an awareness of gender norms, how gender interacts with other identity elements, and which sub-groups of women may be at risk of exclusion from the project or evaluation.

**ET Leader:** The Contractor must designate one ET member to serve as the ET Leader. The ET Leader must have sufficient experience designing and/or conducting evaluations of international development projects and have a good knowledge of USAID Evaluation Policy and evaluation reporting requirements. Excellent communication skills, both verbal and written, are required. Experience managing performance evaluations of similar size for USAID activities in Ukraine or the Eastern Europe/CIS region is desirable.

**Evaluation Specialist:** The Contractor must provide at least one Evaluation Specialist with a strong understanding of data collection and analysis methodologies and substantial international experience designing and conducting evaluations of international development activities. Evaluation Specialist(s) must have good knowledge of USAID Evaluation Policy and evaluation reporting requirements. Experience designing and conducting evaluations at the project level (or equivalent) is desirable. Knowledge of Eastern Europe/CIS region energy issues is desirable.

**Local LG and Decentralization Specialist:** The Contractor must provide a Local LG and Decentralization Specialist with knowledge of Ukraine LG and decentralization issues and Government of Ukraine operations. The Local LG and Decentralization Specialist should have detailed knowledge of Ukraine's development context, key stakeholders and actors, and other information relevant to the success of the LG WOPE. Experience designing and conducting performance evaluations of LG and Decentralization programs the Eastern Europe/CIS region, particularly in Ukraine, is desirable.

## Evaluation Management

The Evaluation COR will provide technical guidance and administrative oversight of the LGP WOPE, review the Evaluation Work Plan (EWP), and review and accept the draft and final Evaluation Reports (ER). The Mission may delegate one or more USAID staff members to work full-time with the ET and/or participate in field data collection. The Evaluation COR will inform the Contractor about any full-time/part-time Mission delegates no later than three working days after the submission of a draft EWP. All costs associated with the participation of full-time/part-time Mission delegates in the evaluation will be covered by the Mission.

To facilitate evaluation planning, within one working day of the effective date of the award, the COR will make available to the Contractor documents for desk review mentioned in Section VII. *Relevant Information Sources*.

To keep the Mission informed about the status of the LGP WOPE, the Contractor will submit an electronic version of a draft LGP WOPE Work Plan (EWP) to the Evaluation COR within 10 working days following the award. The submitted EWP should be fully consistent with the Scope of Work requirements and Contractor's proposal (if the latter is fully or partially incorporated into the SOW).

The EWP should highlight all evaluation milestones and include: (1) a preliminary list of interviewees; (2) a preliminary list of survey participants (when a survey is planned); (3) selection criteria for site visits and case studies (when planned); (4) a preliminary schedule of the ET interviews/meetings, surveys, and focus group discussions (FGDs) (when planned); (5) all draft evaluation questionnaire(s), survey(s), FGD guides, etc., which the ET may use for evaluation; (6) locations and dates for piloting draft evaluation questionnaires) and survey(s); (7) the proposed evaluation methodology including selection criteria for comparison groups (if applicable); and (8) an ER outline (if it will be different from the attached template (Attachment 1)). The Contractor will update the submitted EWP (including the lists of interviewees, the lists of survey participants, the schedule of interviews/surveys/FGDs/site visits, etc.) and submit the updated version to the COR on a weekly basis. The Contractor may prepare the EWP as a Google-based document to facilitate USAID staff access.

The ET must conduct weekly briefings for the Evaluation COR, and other relevant Mission personnel in order to keep them informed of the progress of the LGP WOPE and any issues that may arise/have arisen. The ET must be prepared to conduct a briefing for the Evaluation COR; LGP Leader, PULSE, DOBRE and MFSI-II CORs; and other relevant Mission personnel within two working days of arriving to collect field data.

The ET must invite the Evaluation COR and other relevant Mission personnel to participate in all meetings, group discussions, site visits and other activities planned in conjunction with the LGP WOPE once those events are included in the EWP. The ET must be prepared to have USAID staff and other project stakeholders invited by the Evaluation COR to any meeting, site visit, or other project planned in conjunction with the evaluation as observers.

The ET must discuss any evaluation barriers/constraints and significant deviations from the original/updated EWP with the Evaluation COR and seek USAID's guidance on those matters.

## Logistical Support

The Contractor is responsible for all evaluation activity logistics, not limited to translation/interpretation, transportation, accommodation, meeting/visit arrangements, office space, equipment, supplies, insurance, security, and other contingencies. The Contractor must not expect any substantial involvement of Mission staff in either planning or conducting the evaluation. Upon request, the Mission will provide the Contractor with introductory letters to facilitate meeting arrangements. USAID requests that scheduled U.S. and local holidays be considered in arranging evaluation meetings, group discussions, surveys, and site visits in the United States and in Ukraine.

## Deliverables

Deliverables are listed below along with their delivery schedule.

- **Evaluation Work Plan** will be submitted within 10 working days following the award and will include: (1) a preliminary list of interviewees; (2) a preliminary list of survey participants (when surveys are planned); (3) selection criteria for site visits and case studies (when planned); (4) a preliminary schedule of the ET interviews/meetings, surveys, and focus group discussions (FGDs) (when planned); (5) all draft evaluation questionnaire(s), survey(s), FGD guides, etc., that the ET may use for evaluation; (6) locations and dates for piloting draft evaluation questionnaires) and survey(s); (7) the proposed evaluation methodology, including selection criteria for comparison groups (if applicable); and (8) an Evaluation Report outline.

- **Preliminary findings presentation** will be made to the Mission at the end of fieldwork, prior to the team's departure from Ukraine. The Evaluation Team will present their major evaluation findings and preliminary conclusions in either MS PowerPoint or Google Slides format at two separate pre-departure briefings for the Mission.

- **Draft Evaluation Report** will be due 15 working days after a corresponding pre-departure briefing for the Mission. To document the mid-term performance evaluation of the LGP, the Contractor will submit a clear, informative, and credible Evaluation Report (ER) (up to 30 pages, excluding annexes and references) that reflects all relevant ET findings, conclusions, and recommendations made in conjunction with the performance evaluation of the LGP. The ER must describe in detail the LGP WOPE design and the methods used to collect and process information requested in the *Evaluation Purpose*, *Scope of Work*, and *Evaluation Design & Methodology* sections. It must disclose any limitations to the evaluation and, particularly, those associated with the evaluation methodology (selection bias, recall bias, unobservable differences between groups, etc.). The ER Executive Summary Section should be three-to-five pages long and reflect the purpose of the evaluation, evaluation methodology and limitations, key evaluation findings, conclusions, and recommendations. The ER must include an Evaluation Abstract with the description of the evaluation purpose, expected results of intervention, methodology, key findings, and key recommendations.

The ER must meet relevant USAID ADS policy requirements (e.g., ADS 201, 320, and 578 and relevant mandatory references) and follow USAID Evaluation Policy requirements and recommendations. In particular, the ER should represent thoughtful and well-organized efforts that include sufficient local and global contextual information so the external validity and relevance of each activity evaluation can be assessed. Evaluation findings should be based on facts, evidence, and data. The findings should be specific, concise, and supported by reliable quantitative and qualitative evidence [i.e., avoiding words like “some,” “many,” or “most” in the report and the frequency of responses and absolute number of interviewed respondents should be given, e.g. five out of 11 experts agreed that ...; 30 percent of survey respondents reported that ...]. Evaluation conclusions should be supported by a specific set of findings. Evaluation recommendations should be clear, specific, practical, action-oriented, and supported by a specific set of

findings, conclusions, estimates of implementation costs, and suggested responsibility for the action. The Contractor shall ensure that conclusions and recommendations are based on data that is accurate, objective, and reliable.

In the annexes, the ER should include the Executive Summary section in Ukrainian; the Evaluation SOW; description of the Evaluation Team and its member qualifications; the final version of the Evaluation Work Plan; the conflict of interest (COI) statements, either attesting to a lack of COI or describing existing COI, signed by all members of the ET; the tools used for conducting the evaluation such as questionnaires, checklists, and discussion guides; in-depth analyses of specific issues; properly identified sources of information; and statement(s) of differences regarding significant unresolved difference (if any) of opinion reported by ET members, the Mission, or LGP implementers.

The ER will be written in English and submitted in an electronic format readable in MS Word 2010, using Times New Roman 12 or another legible font of similar size. Any data used to prepare those reports (except for the data protected by any formal agreements between the Contractor and interviewees and survey/focus group participants) will be presented in an MS Office compatible format suitable for re-analysis and submitted electronically to the COR, in accordance with all applicable USAID data standards and security policies. The data should be fully documented and well organized for use by those not fully familiar with the evaluated activities or the evaluations. All quantitative data collected by the ET must be provided in machine-readable, non-proprietary formats at [www.usaid.gov/data](http://www.usaid.gov/data), as required by USAID's Open Data policy, at [www.usaid.gov/data](http://www.usaid.gov/data) (see ADS 579). The data should be organized and fully documented for use by those not fully familiar with the project or the evaluation. USAID will retain ownership of the survey and all datasets developed, copies of which are provided to the COR.

The draft ER must include all relevant ET findings and conclusions made in conjunction with the LGP WOPE, as well as preliminary ET recommendations. The draft ER shall be prepared in line with the general requirements (clarity, credibility, length, font size, etc.) set for the final ER. It may include feedback received from the Mission at the pre-departure briefing(s). The Mission will have 15 working days to review the draft ER and provide comments to the Contractor. The Mission will decide whether LGP stakeholders will be invited to comment on a draft ER.

- **The final Evaluation Report** will be due ten working days following receipt of the Mission's comments on a draft ER. The Contractor will use either a cover memorandum or similar format to explain how comments provided by the Mission were addressed in the final ER if the final ER differs substantially from the draft one.

Both the Mission and the Contractor will have a right to initiate an extension of the ER review or preparation/completion time for up to ten working days at no additional cost.

### III. ANNEX C: DESCRIPTION OF EVALUATION TEAM

#### I. CORE EVALUATION TEAM

SI's core ET ensures a mix of expertise in evaluation methodologies, governance reform, decentralization and local governance strengthening, public services provision, local economic development, support to civic society organizations (CSOs), and strategic public communication.

- **Mr. Alexander Grushevsky, Team Leader** of this evaluation, brings 20 years of experience in design, management, and monitoring and evaluation (M&E) of international development programs, with a focus on governance reform and local development. Mr. Grushevsky has served as team leader on dozens of evaluations, including in Ukraine, for USAID and non-US government clients. He is very familiar with the decentralization process and regional development in Ukraine, including years of experience working in the country. He is a native Ukrainian and Russian speaker.
- **Ms. Lyubov Palyvoda, Evaluation Specialist**, brings experience as a program evaluation consultant since 1996, having designed and conducted over 100 evaluations in a range of topics including governance, democratic development, and cross-cutting programs in various sectors. Her evaluation experience includes familiarity with mixed-methods evaluation techniques and analysis. She is equivalently an experienced designer and implementer of international development programs, including significant experience working with local governance and decentralization programs in Ukraine. In 2017 and 2018, Ms. Palyvoda served as Project Director for the Local Governance and Decentralization Reform Component of Recovery and Peacebuilding Programme in Ukraine, funded by UNDP, as well as team leader for the Anti-Corruption for Local Governance and the Regional Development Agencies of Donetsk and Luhansk Oblasts. Her working experience with Ukraine's amalgamated communities and deep understanding of the Ukrainian context, coupled with evaluation technical skills and experience, makes Ms. Palyvoda a valuable addition to the evaluation team.
- **Dr. Nataliia Baldych, PhD, Local Governance and Decentralization Specialist**, serves as Associate Professor at the Chair of Economic Policy and Governance and is familiar with the work being done in amalgamated communities across Ukraine through her interactions as a training facilitator, evaluator, and expert counsel.
- **Dr. Katerina Tsetsura, PhD, Local Governance and Evaluation Specialist**, is a skilled researcher and evaluator with experience working on USAID evaluations in Ukraine, including as the Ukraine Media Project (Team Leader) and the USAID/OTI Ukraine Confidence-Building Initiative (Evaluation and Media Specialist). Her specialization in the intersection of media and governance has focused her academic research on perceptions of good governance and the role of civil society in the region.
- **Ms. Mariam Simonova** provided logistical and administrative support, including assistance in meetings and interviews organization in the capital city and in the visited oblasts, travel arrangements, and other ongoing logistic matters.

#### 2. MANAGEMENT TEAM

Throughout the evaluation, the ET was supported by SI's management team, which reviewed each deliverable against a series of quality standard checklists and provided feedback. Quality assurance for each deliverable included an assessment of the gender-sensitive design and analysis, and a continuous focus on evaluation use to generate actionable recommendations based clearly on evaluation findings.

SI's management team includes:

- **Ms. Erica Holzaepfel, Project Director**, provided technical assistance, feedback, and overall quality assurance on the final report, evaluation approaches, evaluation tools, and data collection methodologies.
- **Ms. Sierra Frischknecht, Project Manager**, was responsible for the coordination of all headquarters-based activities, including its start-up, team planning activities, desk study efforts, and provision of support to the field team. As Project Manager, Ms. Frischknecht was the main liaison with USAID/DRG and USAID/Ukraine throughout the evaluation.
- **Ms. Jennifer Elkins, Project Assistant**, provided logistical and administrative support, including liaising with international teams and supporting the development of contracts, reports, and presentations.

This team was responsible for final quality assurance on deliverables prior to submission to USAID.

## IV. ANNEX D: CONFLICT OF INTEREST DISCLOSURES

### Disclosure of Conflict of Interest for USAID Evaluation Team Members

<b>Name</b>	Alexander GRUSHEVSKIY
<b>Title</b>	
<b>Organization</b>	Consultant, Social Impact
<b>Evaluation Position?</b>	<input checked="" type="checkbox"/> Team Leader <input type="checkbox"/> Team member
<b>Evaluation Award Number (contract or other instrument)</b>	AID-OAA-M-13-00011 S026
<b>USAID Project(s) Evaluated (Include project name(s), implementer name(s) and award number(s), if applicable)</b>	Ukraine Local Governance Project
<b>I have real or potential conflicts of interest to disclose.</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>If yes answered above, I disclose the following facts:</b> <i>Real or potential conflicts of interest may include, but are not limited to:</i> <ol style="list-style-type: none"> <li>1. Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.</li> <li>2. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.</li> <li>3. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.</li> <li>4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.</li> <li>5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.</li> <li>6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.</li> </ol>	

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

<b>Signature</b>	AG - Alexander Grushevskiy
<b>Date</b>	Feb. 26, 2019



Disclosure of Conflict of Interest for USAID Evaluation Team Members

Name	LYUBOV PALYVODA
Title	
Organization	
Evaluation Position?	<input type="checkbox"/> Team Leader <input checked="" type="checkbox"/> Team member
Evaluation Award Number (contract or other instrument)	
USAID Project(s) Evaluated (Include project name(s), implementer name(s) and award number(s), if applicable)	
I have real or potential conflicts of interest to disclose.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p><b>If yes answered above, I disclose the following facts:</b></p> <p><i>Real or potential conflicts of interest may include, but are not limited to:</i></p> <ol style="list-style-type: none"> <li>1. Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.</li> <li>2. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.</li> <li>3. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.</li> <li>4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.</li> <li>5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.</li> <li>6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.</li> </ol>	


I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

Signature	<i>Lamkojc</i>
Date	Jan. 17, 2019

## Disclosure of Conflict of Interest for USAID Evaluation Team Members

<b>Name</b>	Nataliia Baldych
<b>Title</b>	Local LG and Decentralization Specialist
<b>Organization</b>	Social Impact
<b>Evaluation Position?</b>	<input type="checkbox"/> Team Leader <input checked="" type="checkbox"/> Team member
<b>Evaluation Award Number (contract or other instrument)</b>	
<b>USAID Project(s) Evaluated (Include project name(s), implementer name(s) and award number(s), if applicable)</b>	
<b>I have real or potential conflicts of interest to disclose.</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>If yes answered above, I disclose the following facts:</b> <i>Real or potential conflicts of interest may include, but are not limited to:</i> <ol style="list-style-type: none"> <li>1. Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.</li> <li>2. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.</li> <li>3. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.</li> <li>4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.</li> <li>5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.</li> <li>6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.</li> </ol>	

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<b>Signature</b>	
<b>Date</b>	02/26/2019

Disclosure of Conflict of Interest for USAID Evaluation Team Members

<b>Name</b>	Ekaterina Tssetura
<b>Title</b>	Local governance and evaluation specialist
<b>Organization</b>	Social Impact
<b>Evaluation Position?</b>	<input type="checkbox"/> Team Leader <input checked="" type="checkbox"/> Team member
<b>Evaluation Award Number (contract or other instrument)</b>	
<b>USAID Project(s) Evaluated (Include project name(s), implementer name(s) and award number(s), if applicable)</b>	
<b>I have real or potential conflicts of interest to disclose.</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>If yes answered above, I disclose the following facts:</b> <i>Real or potential conflicts of interest may include, but are not limited to:</i> <ol style="list-style-type: none"> <li>1. Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.</li> <li>2. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.</li> <li>3. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.</li> <li>4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.</li> <li>5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.</li> <li>6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.</li> </ol>	

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

<b>Signature</b>	
<b>Date</b>	February 28, 2019

## V. ANNEX E: EVALUATION FIELD WORK SCHEDULE

April 2019	Time	Location	Meeting/Site Visit
08 Mon	9:30-10:30	Kyiv	ET I & 2: MRD - CRO
	11:00-13:00		ET I & 2: DOBRE PMT: Introductory meeting, interviews, group discussion
	14:00-15:00		ET I & 2: USAID/Ukraine; Briefing
	16:00-18:00		ET I & 2: PULSE PMT + AUC: Introductory meeting, interviews, discussion
09 Tue	9:30-14:00	Kyiv	ET I & ET 2: PULSE/AUC Event for representatives of local authorities from Kyiv oblast - Semi-structured interviews, group discussion
	13:00-14:00		ET 2: MOF
	15:30-16:30		ET I & 2: DESPRO
	17:00-18:30		ET I & 2: MRD
10 Wed	9:00-10:00	Kyiv	ET I & ET 2: VRU
	10:00-11:00		ET I & 2: Cabinet of Ministers of UA (no audio, no video)
	13:00-14:00		ET I & 2: NDI/GRB (expert will have only 1 hour)
	14:00-16:00		ET I & 2: ACTC
	Departure from the city: 16:30		ET I & 2: Flight Travel Kyiv (Boryspil)-Dnipro
11 Thu	9:30-18:00	Dnipro	ET I & 2: Dnipro and oblast
			ET I: Tsarychanska and Mohylivska CTC (DOBRE)
			ET 2: Pavlohrad, City Council (MSFI-II)
12 Fri	8:00-18:00	Dnipro	ET I & 2 (together in Dnipro)
			ET I: Kryvyi Rih (MFSI-II & PULSE)
			ET 2: Nova-Oleksandrivska CTC (DOBRE); AUC/PULSE
13 Sat	6:00-18:00	Kyiv	ET I & 2: Travel Dnipro – Kyiv (morning Intercity Train)
14 Sun			Day off
15 Mon.	6:00-18:00	Ternopil oblast	ET I & 2: Travel ET I: Shumska (PULSE, DOBRE); ET I: Lanovetska (DOBRE) ET I: Travel to Ternopil
16 Tue	8:00-18:00	Odesa	ET 2: Krasnosilska CTC (PULSE); AUC/PULSE
		Ternopil Oblast	ET I: Ternopil 9am – Deputy Governor 10:30am - Dobre regional office 13pm – Ivanivska CTC Trip to Ivano-Frankivsk
17 Wed	8:00-18:00	Odesa	ET 2: Odesa (MFSI-II; IREX event – media forum - PULSE, CVU – DOBRE; U-LEAD)
		Iv. Frankivsk Oblast;	ET I: Iv.-Frankivsk (MSFI-II, PULSE, DOBRE) Pechenizhyn (PULSE, DOBRE)
17 Wed	8:00-18:00	Mykolaiv oblast	ET 2: Bashtanska CTC
18 Thu	8:00-18:00	Zakarpats'ka oblast	ET I: Tiachiv (U-LAED, PULSE)

April 2019	Time	Location	Meeting/Site Visit
18 Thu	9:00 - 18:00		ET 2: Mykolaiv (MSFI-II), Voznesensk (PULSE, DOBRE)
19 Fri	9:00-18:00	Lviv and oblast	ET 1: 14pm - Lviv Governor, (PULSE)
19 Fr	9:00 - 18:00	Mykolaiv obl	ET 2: Voznesensk CTC, Buzske CTC (MSFI-II, PULSE, DOBRE)
20 Sat	9:00-18:00	Kyiv	ET 1: Travel back to Kyiv ET 2: Travel back to Kyiv
21 Sun			Day off
22 Mon.	9:00 – 18:00	Kyiv	ET 1: CSO (Cross-cutting) ET 2: (LGP) ET 1 & 2: (DOBRE)
23 Tue	9:00 – 18:00	Kyiv	ET 1: (Cross-cutting) ET 1 & 2: (MASI-II, DOBRE)
24 Wed	9:00-18:00	Kyiv	ET 1 & 2: (PULSE/AUC, U-LEAD)
25 Thu	9:30-11:30	Kyiv	ET 1: IBSE ET 1 & 2: Debriefing at USAID/Ukraine
26 Fri	9:00-18:00	Kyiv	Internal meeting: to formulate key findings and lessons learned
27 Sat			International travel

## VI. ANNEX F. LIST OF DOCUMENTS REVIEWED

### I. LEGAL AND REGULATORY BASE

VRU, The Law of Ukraine 'On local self-government in Ukraine' N 280/97 as of 21 May 1997, Holos Ukrayiny [The Voice of Ukraine], 12 June 1997.
VRU, The Law of Ukraine 'On cooperation of territorial communities' N 1508-VII as of 17 June 2014, Holos Ukrayiny [The Voice of Ukraine], Issue 138 (6043), 23 June 2014.
VRU, The Law of Ukraine 'On fundamental principles of the state regional policy' N 156-VIII as of 5 February 2015, Holos Ukrayiny [The Voice of Ukraine], Issue 39, 4 March 2015.
VRU, The Law of Ukraine 'On voluntary consolidation of territorial communities' N 157-VIII as of 5 February 2015, Holos Ukrayiny [The Voice of Ukraine], Issue 39 (6043), 4 March 2015.
VRU, The Law of Ukraine 'On local elections' N 595-VIII as of 14 July 2015, Holos Ukrayiny [The Voice of Ukraine], Issue 143-144, 7 August 2015.
European Charter of Local Self-Government 1985 (Council of Europe)]. Retrieved from: <a href="https://zakon.rada.gov.ua/laws/show/994_036">https://zakon.rada.gov.ua/laws/show/994_036</a> [in Ukrainian]; <a href="https://rm.coe.int/168007a088">https://rm.coe.int/168007a088</a> [in English].
Resolutions of VRU: <a href="http://atu.minregion.gov.ua/en/vsi-zmini-postanov">http://atu.minregion.gov.ua/en/vsi-zmini-postanov</a>
GOU. Decree 'On the approval of the Concept of reforming local self-government and territorial structure of power' N 333-p as of 1 April 2014, Ofitsiynyi Visnyk Ukrayiny [Official Herald of Ukraine], Issue 30, 18 April 2014.
GOU. Decree 'On the approval of the State strategy of regional development up to 2020' N 385 as of 6 August 2014, Ofitsiynyi Visnyk Ukrayiny [Official Herald of Ukraine], Issue 70, 9 September 2014.
GOU. Decree 'On the Approval of the Methodology for Creation of Capable Territorial Communities' N 214 as of 8 April 2015, Ofitsiynyi Visnyk Ukrayiny [Official Herald of Ukraine], Issue 33, 5 May 2.
GOU. Decree 'On Approval of the Action Plan for the Implementation of the New Stage of Reforming Local Self-Government and Territorial Organization of Power in Ukraine for 2019-2021' N 77-r as of 23 January 2019, Uryadovyy Kur'yer [Government Courier], Issue 34, 20 February 2019.

### 2. DRAFT LAWS

Draft Law N 805I 'On the principles of the administrative-territorial structure of Ukraine'. <a href="http://w1.c1.rada.gov.ua/pls/zweb2/webproc34?id=&amp;pf3511=63508&amp;pf35401=447393">http://w1.c1.rada.gov.ua/pls/zweb2/webproc34?id=&amp;pf3511=63508&amp;pf35401=447393</a>
Draft Law N 944I 'On amendments to the Law of Ukraine "On voluntary consolidation of territorial communities" (regarding perspective plans for the formation of communities of the Autonomous Republic of Crimea, oblasts)". <a href="http://w1.c1.rada.gov.ua/pls/zweb2/webproc34?id=&amp;pf3511=65270&amp;pf35401=473416">http://w1.c1.rada.gov.ua/pls/zweb2/webproc34?id=&amp;pf3511=65270&amp;pf35401=473416</a>
Draft Law No. 6403 'On amendments to the Law "On urban development regulation". <a href="http://w1.c1.rada.gov.ua/pls/zweb2/webproc34?id=&amp;pf3511=61676&amp;pf35401=422027">http://w1.c1.rada.gov.ua/pls/zweb2/webproc34?id=&amp;pf3511=61676&amp;pf35401=422027</a>

### 3. PROJECT DOCUMENTS

<b>LGP: LG SOW</b>
PAD, May 2015
<b>DOBRE: DOBRE PD</b>
Annual Reports - FY16, FY17, FY18
Quarterly Reports – FY17 (Q1, Q3); FY18 (Q1, Q2, Q3)
DOBRE MEP
<b>MSFI-II: MSFI-II PD</b>
MSFI-II AID
MSFI-II Final Report and PMP
<b>PULSE: PULSE PD</b>
PULSE M_EL Plan
FY18 Annual and FYQ4 Report
Quarterly Reports – FY16 (Q4); FY17 (Q1, Q2, Q3, Q4), FY18 (Q1, Q2, Q3)

### 4. ANALYTICAL MATERIALS

Local Governance and Decentralization Assessment: Implications of Proposed Reforms in Ukraine. USAID, Sep. 2014
Political Economy Analysis of Decentralization Reform in Ukraine. Final Report. USAID, Sep. 2018
Decentralisation in Ukraine: Achievements, Expectations and Concerns – Ukrainian Center for Independent Political research/International Alert. August 2017
Maintaining the Momentum of Decentralisation in Ukraine - In series: OECD Multi-level Governance Studies, June 15, 2018
Volodymyr Udovychenko, Anatoliy Melnychuk, Oleksiy Gnatiuk, Pavlo Ostapenko. Decentralization Reform in Ukraine: Assessment of the Chosen Transformation Model - European Spatial Research and Policy, Vol. 24, #1, 2017
Jarabik, B., and Y. Yesmukhanova. March 8, 2017. Ukraine's Slow Struggle for Decentralization. Carnegie Endowment for International Peace. <a href="https://carnegieendowment.org/2017/03/08/ukraine-s-slow-struggle-for-decentralization-pub-68219">https://carnegieendowment.org/2017/03/08/ukraine-s-slow-struggle-for-decentralization-pub-68219</a>
600 days before decentralization. Step-by-step algorithm. <a href="https://decentralization.gov.ua/en/news/10257#gallery">https://decentralization.gov.ua/en/news/10257#gallery</a>
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## 5. WEBSITES

GOU: <a href="https://decentralization.gov.ua/en">https://decentralization.gov.ua/en</a>
MRD: <a href="http://atu.minregion.gov.ua/en/home">http://atu.minregion.gov.ua/en/home</a>
DOBRE: <a href="https://www.globalcommunities.org/dobre">https://www.globalcommunities.org/dobre</a>
AUC: <a href="https://www.auc.org.ua/">https://www.auc.org.ua/</a>
PULSE: <a href="http://2.auc.org.ua/page/proekt-%C2%ABrozrobka-kursu-na-zmitsnennya-mistsevogo-samovryaduvannya-v-ukraini%C2%BB-puls">http://2.auc.org.ua/page/proekt-%C2%ABrozrobka-kursu-na-zmitsnennya-mistsevogo-samovryaduvannya-v-ukraini%C2%BB-puls</a>
MSFI-II: <a href="https://www.ibser.org.ua/en/project_mfsi">https://www.ibser.org.ua/en/project_mfsi</a>
International donors: <a href="https://donors.decentralization.gov.ua/en">https://donors.decentralization.gov.ua/en</a>
Donor-funded projects: <a href="https://donors.decentralization.gov.ua/en/projects">https://donors.decentralization.gov.ua/en/projects</a>
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## **VII. ANNEX G: LIST INTERVIEWS AND SURVEY PARTICIPANTS**

### **I. INTERVIEWS' PARTICIPANTS BY STAKEHOLDER GROUPS (156)**

#### **Central Authorities (9)**

- Verkhovna Rada of Ukraine (4)
- Cabinet of Ministers of Ukraine (1)
- Ministry of Regional Development, Construction, Housing and Communal Services of Ukraine (3)
- Ministry of Finance of Ukraine (1)

#### **Local Authorities at the Oblast (regional), municipal and CTC levels (78)**

- Oblast level (11)
  - Oblast Councils (5)
  - Oblast State Administration (6)
- City of oblast significance (18)
  - Mykolaiv City Council, Mykolayiv oblast (3)
  - Kryvorizka City Council, Dnipropetrovska oblast (3)
  - Pavlohrad City Council, Dnipropetrovska oblast (10)
  - Voznesenska City Council, Mykolaivska oblast (2)
- Rayon level (5)
  - Voznesenska rayon state administration, Mykolaivska oblast (5)
- Local level (town council / CTC) (40)
  - Tyachivska Town Council, Zakarpatska oblast (3)
  - Bashtanska Town Council, Mykolaivska oblast (4)
  - Tsarychanska CTC, Dnipropetrovska oblast (4)
  - Mohulivska CTC, Dnipropetrovska oblast (2)
  - Nova-Oleksandrivska CTC, Dnipropetrovska oblast (4)
  - Krasnosilska CTC, Odesa oblast (2)
  - Shumska CTC, Ternopilska oblast (6)
  - Lanovetka CTC, Ternopilska oblast (3)
  - Ivanivska CTC, Ternopilska oblast (8)
  - Pechenizhynska CTC, Ivano-Frankivska oblast (8)

#### **CSOs and community representatives (27)**

- LGP Sub-Partners (8)
  - Association of Amalgamated Territorial Communities (1)
  - Poland's Foundation in Support of Local Democracy (FSLD) (2)
  - SocialBoost (2)
  - National Democratic Institute (NDI) (1)
  - Ukrainian Crisis Media Center (UCMC) (2)
- IREX (1)
  - CSOs/community activists (9)
  - Representatives of local NGOs (9)

#### **Ukrainian media at the national and sub-national levels (6)**

### Ukrainian analytical and development centers (5)

- Civil Society Institute, Kyiv (1)
- Ternopil regional youth self-government league (1)
- International Charitable Foundation “Ukrainian Women's Fund,” Kyiv (1)
- All Ukrainian NGO Mayor’s Club, Kyiv (1)
- Committee of Voters of Ukraine (CVU), Odesa (1)

### USAID/Projects/Donors (31)

- USAID Regional Mission to Ukraine, Belarus and Moldova (12)
- LGP Implementers (15)
  - MFSI-II, Institute for Budgetary and Socio-Economic Research (IBSER) (1)
  - DOBRE, Global Communities (4)
  - PULSE, Association of Ukrainian Cities (AUC) (10)
- Donors and donor-funded projects (4)
  - Swiss-Ukrainian Project “Decentralization Support in Ukraine” (DESPRO) (1)
  - Ukraine - Local Empowerment, Accountability and Development Programme (U-LEAD) (3)

## 2. MINI-SURVEY PARTICIPANTS

Type of Organization	# of Respondents
State institution	4
Local self-government body	48
CSO	6
Expert	1
Other	10
Total	69

## 3. FOLLOW-UP SURVEY PARTICIPANTS

Type of Organization	# of Respondents
State institution	1
Local self-government body	8
CSO	11
LGP	5
Other donors	1
TOTAL	27

## VIII. ANNEX H: DATA COLLECTION TOOLS

### I. EVALUATION QUESTIONS MATRIX

This matrix provides an overall list of guiding questions for each evaluation question, while noting the intended audience. This matrix served as the basis for the expanded, complete protocols that follow.

The types of protocols are listed below:

1. Central Authorities
  1. Ukrainian Parliament – Verkhovna Rada (VRU) - Committee on State Building, Regional Policy and Local Self-Governance
  2. Line Ministries (LM), including MRD, Ministry of Finance (MoF), Ministry of Economic Development and Trade (MEDT)
  3. State Agencies – State Treasury (STU)
2. Local Authorities at the Oblast (regional), municipal and CTC levels
3. Grassroots CSOs, community representatives
4. Ukrainian media at the national and sub-national levels
5. Ukrainian analytical and development centers
  - a. Better Regulation Delivery Office (BRDO)
  - b. Central Reforms Office under MRD (CRO)
  - c. Project Office of Sector Decentralization (POSD)
  - d. Ukrainian Crisis Media Center (UCMC)
  - e. Association of Villages and Rural Settlements (AVRS)
  - f. Social Boost (SBO)
  - g. Institute for Budgetary and Socio-Economic Research (IBSER)
6. USAID/Projects/Donors

EQs/  Stakeholder groups	Questions (number)	National Authorities	Regional and Local Authorities	CSOs, community members	Media	Ukrainian analytical and development centers	USAID/Projects/ Donors
EQ1: To what extent is the LGP development hypothesis, “IF the GOU implements a sound framework for decentralization, local governments effectively manage resources and services, and citizens engage in local governance processes and provide oversight, THEN local governance will be more transparent, participatory, and accountable to citizens,” <sup>13</sup> valid? <sup>14</sup>							
1. What changes have occurred in the decentralization reform over the past 5 years? What lessons can be learned from the implementation of the reform over the last 5 years?	1,2						
2. Is the existing hypothesis valid at the moment? What has changed? What changes would you make to the hypothesis?	3						
3. Is the legislation on decentralization sufficient to promote more transparent, participatory and accountable to citizens local governance?	4						
4. What challenges did local self-governance authorities face when applying decentralization legislation in practice (when creating CTC, CTC work, etc.)?	5						
5. Are amendments to the legislation on decentralization needed? Are amendments to the Constitution of Ukraine needed? Does the system of local elections need to be changed and why?	6 - 8						
6. What perceptions do exist about decentralization? To what extent the local governments do engage citizens in local governance processes? To what extent citizens are engaged in local governance oversight? To what extent the local governments do manage resources and services more effectively? What factors influence level of citizens engagement in local governance processes and oversight and the local governments effectiveness to manage resources and services?	9 - 14						
7. What are the most important factors for enabling transparent, participatory and accountable to citizens local governance system? What are the major barriers?	15, 16						
8. Do local authorities have skills in managing resources and service delivery (i.e., the ability to identify needs, planning, implementation and monitoring and evaluation)? Do Local Authorities involve citizens in decision-making, implementation, and monitoring and evaluation? Do local authorities report to the community at all stages of the management of resources and service provision?	17-21						

<sup>13</sup> See Section IV above. The development hypothesis comes from the Local Governance Project Approval Document.

<sup>14</sup> In response to this question, the Contractor must provide recommendations on how USAID should update the development hypothesis to suit the current development context, taking into account both lessons learned during prior implementation and observed shifts and trends in the operating environment.

EQ2: To what extent did USAID assistance advance the project purpose of strengthening local governance? <sup>15</sup>							
1. What have been each initiatives: PULSE, DOBRE and MFSI-II contribution in achieving LGP purpose (eg transparent, participatory, and accountable to citizens local governance)? What specific interventions or factors of each initiative led to these results? In which project areas (sound framework, effective management of resources and services, citizens engagement in local governance processes and oversight) the progress is most significant/less obvious?	1-3						
2. How different is the USAID assistance in comparison with other donor-funded interventions? What are the comparative advantages/disadvantages of USAID assistance in comparison to other donors? What is the value-added benefit of the USAID approach?	5-7						
3. How well does the USAID assistance fit in the broader sense of decentralization? Were the interventions well-designed? Did they consider the most critical challenges and evolving needs of Ukraine at the national and subnational levels? Were they able to respond to the emerging needs?	8-11						
4. What other donors work in the area of decentralization? Is there coordination between donors? If so, at what stage of project such coordination occurs (planning, implementation, etc.)? What are the possible spheres of donors' partnership for strengthening local governance,? Do any plans of future actions in this sphere exist?	4,12-13						
5. Is the decentralization reform irreversible? What risks do exist to reverse the reform? What should be done to make the reform irreversible?	14-16						
EQ3: To what extent did USAID assistance contribute to the implementation of local government reforms that consolidated communities?							
1. What are the evidence of a positive contribution of USAID assistance to the consolidation of local communities? In which areas the contribution is specifically effective? What are the major gaps still not covered?	1-4						
2. What changes have been occurred in political and financial autonomy of local self-government authorities? How LGP has contributed to these changes?	5,6						
3. How sustainable is the USAID-funded contribution?	7						
4. What is the impact beyond the directly supported communities? How information dissemination is organized and in what ways is capacity built across the nation?	8						
5. For consolidated communities: what are the indicators and confirmations that the jurisdiction of the city/town council has extended over the whole community territory (i.e., beyond the boundaries of populated areas but within the boundaries of the community)?	9						
6. In your opinion, will community consolidation around cities help urban and rural territories in their local economic development? What are the potential gains?	10						
7. To what extend gender issues and special needs of socially vulnerable groups (veterans, elderly citizens, youth, etc.) are considered and mainstreamed in technical assistance provided by LGP? What are evidences / success stories / lessons learned?	11-13						

<sup>15</sup> In response to this question, the Contractor's conclusions must consider other donors' decentralization efforts, as well as opportunities for leveraging of efforts that USAID did or did not take. The Contractor's recommendations must highlight available opportunities for strengthening local governance either unilaterally or in partnership with other development actors, including opportunities anticipated to emerge in the future if circumstances change.

EQ4: How did the DOBRE and PULSE activities collaborate to achieve project Sub-Purpose 2: Local governments effectively manage resources and services that respond to community priorities?							
1. Which areas of local/municipal governance are targeted by joint activities? Please describe the support activities provided to your community/authority by the PULSE and/or DOBRE	1-2						
2. How both initiatives complement each other in achieving LGP Sub-Purpose 2? How effective is design/architecture of LGP where each initiative works at different level and have different focus supporting decentralization reform from different angels?	3 - 4						
3. Does collaboration between DOBRE and PULSE on achieving project Sub-Purpose 2 take place? What are the evidences (both positive and negative) of such collaboration? What more can be done to ensure that the DOBRE and PULSE collaborate effectively in achieving project Sub-Purpose 2?	5 - 7						
4. In what ways both initiatives do support local governments in their efforts to effectively manage resources and services that respond to community priorities?	8						
5. What forms of support under LGP have been most effective? What forms of support under LGP have been less effective?	9 - 12						
6. In what ways have projects influenced the quality of public services to citizens? Examples?	13						
EQ5: To what extent are the types of USAID assistance described in the LGP scope no longer needed in Ukraine?							
1. Which needs are already completely met or could be further supported by national/local actors? Which are still unmet needs? In which areas additional support is needed?	1-3						
2. Which areas may be/were further supported by other national and international actors?	4						
3. What are the barriers for local economic development in communities? How can own local government resources and revenues be increased?	5						
4. Can one say that the local government reform has been successfully synchronized with sectoral reforms (education, health care, administrative reforms)? What else should be done?	6-7						
5. What risks may the introduction of the new system of state oversight (prefectures) have?	8						
6. How has the reform changed the institutional, human and financial capacity of communities? Do local governments face problems with hiring qualified staff? <b>What can be done to address this issue?</b> How can this situation be changed for the better? What activities were most helpful in this regard? Are communities in the position to assume more powers and responsibilities? What are these powers and responsibilities? How to improve capacity building for new communities? What activities would be most desirable/useful in this regard (training, support, consulting and strategic planning)?	9-14						
7. What are some of the key lessons learned that can inform future design of projects and activities for strengthening local governance in Ukraine?	15						





## INTRODUCTION

Hello,

I am \_\_\_\_\_ and Social Impact has been contracted by USAID to evaluate the Local Governance Projects (LGP) in Ukraine, consisting of three mutually complementary initiatives – DOBRE, PULSE and MFSI-II implemented by various USA and Ukraine contractors with funding by USAID. These three USAID initiatives, mentioned above, were launched to support efforts of the GoU aimed at improvement of well-being of Ukrainian population through local governance strengthening, inclusion of local citizens into local resources management, improvement of business and investment climate on the local level to support local economic and social development and improved public services provision.

The purpose of this evaluation is to examine the soundness of the LGP theory of change, evaluate collaboration among USAID implementing mechanisms, and identify adjustments to USAID's approach that would more effectively strengthen local governance. Findings, conclusions, and recommendations from this evaluation will inform the design of projects and activities to achieve local governance-related results under USAID/Ukraine's new Country Development Cooperation Strategy (CDCS) 2018-2023. USAID will also use evaluation findings to adjust its approach to coordination among USAID activities, as well as collaboration with other donor-funded decentralization programs and with host central and local government counterparts.

This interview is voluntary; you can withdraw at any time, either before or during the interview. There are no right or wrong answers. We want to hear your thoughts, based on your experience and your involvement with the project. The interview should not take more than 60 minutes to complete. Following the interview, we may want to contact you again in a few days to confirm or clarify some of the information you have given us.

The information you provide us will be important to understand the achievements of the LGP and we may wish to cite this discussion in support of our findings. However, if you would like to remain anonymous, you may inform us of this now or at any time in the next week following this interview. If so, we will not attribute any information that we receive to you, either in any report, transcript or notes from this discussion, or any conversations that we may have with persons outside of our evaluation team.

Does the respondent wish to remain anonymous? **Yes** ☐ **No** ☐

If you have no objection, we would like to record this discussion, but wish to assure you that all recordings and notes will remain confidential and will be kept in a safe place. The recordings will be used for analysis purposes only.

Do you have any other questions about the study or this interview?

The study has been explained to me. My questions have been answered satisfactorily. I understand that I can change my mind at any stage, and it will not affect me in any way.

Do you agree to participate in this study (automatic if interview is scheduled)? **Yes** ☐ **No** ☐

RESPONDENT: \_\_\_\_\_ (INITIALS)

DATE: \_\_\_\_\_

## FOR INTERVIEWER USE ONLY

As described above, the LGP consists of three USAID activities. Together, these activities were designed to support efforts of the GoU **aimed** at improving the well-being of Ukrainians by strengthening local governance, involving local citizens in local resources and budget management, improving the business and investment climate to support local economic and social development, and improving public services provision.

**The theory of change** behind LGP initiatives was formulated as follows:

*“If the GoU implements a sound framework for decentralization, local governments effectively manage resources and services, and citizens engage in local governance processes and provide oversight, THEN local governance will be more transparent, participatory, and accountable to citizens.”*

Based upon this hypothesis, specific projects under overall **LGP umbrella** were focused on:

- Improving the effectiveness and transparency of public spending and raising awareness of the public about the process of state budgeting (**MSFI-II**). **MSFI-II**, which was completed in December 2017, assisted the Ministry of Finance of Ukraine (MoF) at national level, other government ministries and line ministries, and relevant committees of the Ukrainian Parliament in improving legislation, developing methodologies, and introducing regulations to address local socioeconomic development and implementation of an effective and transparent budgeting system. At the local level, MFSI-II delivered training for local governments and local offices of the State Treasury and provided consultations on development and implementation of PPB-based budget programs, and the introduction of an energy expenditures monitoring system;
- Facilitating inclusion of local governance issues into national development agenda, legal and policy frameworks; strengthening capacities of Ukrainian stakeholders to carry out new roles and responsibilities within context of decentralization reform; enhancing support to decentralization reform at the local, regional and national levels (**PULSE**). **PULSE** focuses on support to creation of a better legal framework for decentralization, working at the national level with legislative (the Ukrainian Parliament, or Verkhovana Rada) and executive branches of the Ukrainian government (the Cabinet of Ministers and line ministries), as well as providing consultations to the regional (oblast-level) governments. **PULSE** also works to strengthen communication policy for decentralization and supports public engagement into governance at the local level; and
- Strengthening capacities of all actors but specifically at the grassroots level to enable new local governments of the recently created Consolidated Territorial Communities (CTC) to better manage resources, increase the quality of public services, stimulate the local economy, and improve citizen engagement (**DOBRE**).

**U-LEAD with Europe: Ukraine – Local Empowerment, Accountability and Development Programme** is a multi-donor action of the European Union and its Member States Denmark, Estonia, Germany, Poland and Sweden. U-LEAD with Europe contributes to the establishment of multilevel governance that is transparent, accountable and responsive to the needs of the population. The programme has two main objectives:

1. Enhancement of the capacities of key stakeholders at the national, regional and local levels to implement the regional policy and decentralisation reforms (**GIZ**). This includes vertical and horizontal coordination and capacity development at all levels of government throughout Ukraine.
2. Empowerment of amalgamated communities to deliver high quality administrative services to their citizens aims at contributing to the ongoing decentralisation reform in Ukraine (**Sida**). For this purpose, Sida has subcontracted the Swedish Association of Local Authorities and Regions to

support up to 600 Administrative Service Centres to live up to the expectation of the citizens, and the Estonian E-Governance Academy to develop IT solutions that facilitate the provision of the services concerned.

## GENERAL INFORMATION

<b>Date of interview:</b>	____ April 2010
<b>Place of interview:</b>	Oblast: City/town/village:
<b>Name of person interviewed:</b>	
<b>Respondent sex:</b>	Male Female
<b>Organization:</b>	
<b>Organizational type:</b>	State institution Local self-government CTC CSO Media Expert Donor USAID Project staff
<b>USAID Project (select):</b>	DOBRE PULSE MSFI-II
<b>Name of interviewer:</b>	

Can you describe what interactions your organization and you yourself have had with a USAID LGP initiative?

## PART I.

**EQ I: To what extent is the LGP development hypothesis, “IF the GOU implements a sound framework for decentralization, local governments effectively manage resources and services, and citizens engage in local governance processes and provide oversight, THEN local governance will be more transparent, participatory, and accountable to citizens,” valid?**

**I.1. What changes do you think have occurred in the decentralization reform over the past 5 years? Mark all that were mentioned**

- Legislation
- Attention to decentralization
- GoU attitude
- Community attitude

- Shift of power from central to local level
- Political/Institutional/financial independence
- Other
- None

**I.2. What lessons can be learned from the implementation of the reform over the last 5 years?**

**I.3. Is the existing hypothesis valid at the moment? What has changed? What changes would you make to this hypothesis?**

**I.4. Is the legislation on decentralization sufficient to promote more transparent, participatory and accountable local governments?**

Yes

No

*Explain*

**I.5. What challenges did local self-governance bodies face when applying decentralization legislation in practice (when creating CTC, CTC work, etc.)?**

- Lack of clarity
- Too complicated
- Need to have a lawyer to explain
- Other, please specify

**I.6. Are amendments to the legislation on decentralization needed?**

Yes

No

*Explain*

**I.7. Are amendments to the Constitution of Ukraine needed?**

Yes

No

*Explain*

**I.8. Does the system of local elections need to be changed and why?**

Yes

No

*Explain*

**I.9. Do the following perceptions about decentralization reform exist?**

	Yes	No	To certain extent
<i>There is sound framework of decentralization</i>			
<i>Local governments effectively manage resources and services</i>			
<i>Citizens are engaged in local governance processes and oversight</i>			
<i>Other, please specify</i>			

*Explain*

**I.10. What factors can influence the change of these perceptions?**

**I.11. To what extent the local governments do engage citizens in local governance processes?**

1      2      3      4      5

*Explain*

**I.12. To what extent citizens are engaged in local governance oversight?**

1      2      3      4      5

*Explain*

**I.13. To what extent the local governments do manage resources and services more effectively?**

1      2      3      4      5

*Explain*

**I.14. What factors influence level of citizens engagement in local governance processes and oversight and the local governments effectiveness to manage resources and services?**

*Explain*

**I.15. What are the most important factors for enabling transparent, participatory and accountable to citizens local governance system?**

- Sound legislation
- Citizen participation in decision making processes
- Institutional capacity of local governance
- Financial capacity of local governance
- Sustainable local economy to support community
- Other
- None

**I.16. What are the major barriers for enabling transparent, participatory and accountable to citizens local governance system?**

- Unclear legislation/absence of legislation
- Lack of institutional capacity
- Lack of financial capacity
- Lack of financial support from state
- Passive community members
- Other
- None

**I.17. Do local authorities have skills in managing resources and service delivery (i.e., the ability to identify needs, planning, resource allocation, implementation and monitoring and evaluation)?**

Yes                      No

*Explain*

**I.18. Do local authorities involve citizens in decision-making, implementation, and monitoring and evaluation?**

Yes                      No

Explain

**I.19. Do local authorities report to the community at all stages of the management of resources and service provision?**

Yes

No

Explain

**I.20. Who helps you to deliver your concerns, agendas and ideas about the local government reform to the central government?**

- Head of CTC
- Deputies of local/regional/national council
- Community members
- Association of local self-government authorities
- People's Deputies of Ukraine
- Think tanks, analytical centers, experts, CSOs
- Other (please specify)
- None

**I.21. In what ways does this delivery most successful and why?**

- Appeals
- Community meeting decision
- Public hearing
- e-petition
- other

Explain WHY?

## 2. PART II.

**EQ2: To what extent did USAID assistance advance the project purpose of strengthening local governance?<sup>16</sup>**

**II.1. What have been contribution of each initiative in achieving LGP purpose? Please list answers under each purpose**

Transparent Local Governance	Participatory Local Governance	Accountable to citizens Local Governance
DOBRE		
PULSE		
MSFI-II		

<sup>16</sup> In response to this question, the Contractor's conclusions must consider other donors' decentralization efforts, as well as opportunities for leveraging of efforts that USAID did or did not take. The Contractor's recommendations must highlight available opportunities for strengthening local governance either unilaterally or in partnership with other development actors, including opportunities anticipated to emerge in the future if circumstances change.



## II.2. What specific interventions/factors led to these results?

Transparent Local Governance	Participatory Local Governance	Accountable to Citizens Local Governance
DOBRE		
PULSE		
MSFI-II		

## II.3. In which project areas the progress is most significant/less obvious? 5-point scale, where 1 – no progress, 5 – significant progress

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| ▪ Sound framework:                                   | 1 | 2 | 3 | 4 | 5 |
| ▪ Effective management of resources and service:     | 1 | 2 | 3 | 4 | 5 |
| ▪ Citizens engagement in LG processes and oversight: | 1 | 2 | 3 | 4 | 5 |

Explain

## II.4. What other donors work in the area of decentralization?

- EU – U-LEAD
- Sweden
- Canada
- Switzerland
- Other, please name

## II.5. How different is the USAID assistance in comparison with other donor-funded interventions?

- Larger/less in funding
- Focused in its activity/ territory
- More technical (soft) assistance through training, seminars
- More grant assistance
- More hard assistance
- Less foreign consultants
- Other

## II.6. What are the comparative advantages/disadvantages of USAID assistance in comparison to other donors? (Explanation - USAID balances its approach with Europeans. Europeans - political approach. USAID is supporting (via PULSE) the local partner - developmental approach. Europeans work through their own offices and are providing German consultants). Record

Advantages:

Disadvantages:

## II.7. What is the value-added benefit of the USAID approach?

## II.8. How well does the USAID assistance fit in the broader sense of decentralization? 5-point scale, where 1 –no fit, 5 – fit very well

1      2      3      4      5

Explain

**II.9. Were the interventions well-designed?** 5-point scale, where 1 – not at all, 5 – very well

1      2      3      4      5

Explain

**II.10. Did they consider the most critical challenges and evolving needs of Ukraine at:** 5-point scale, where 1 – not at all, 5 – very well

National level	1	2	3	4	5
Regional level	1	2	3	4	5
Local level	1	2	3	4	5

Explain

**II.11. Were they able to respond to the emerging needs?** Ask by project

**DOBRE:** provided support to 75 communities in 7 oblasts out of 2,000: was that enough?

Too little? Too many?

The original concept was to support "hero" communities in moving forward with consolidation: proof of concept?

**PULSE:** How did PULSE respond to the need of 1) decentralization policy development, 2) preparation of the relevant legislative framework, 3) increasing local government autonomy through fiscal decentralization, 4) promoting community consolidation.

**MSFI-II:** At national level - How well assisted the Ministry of Finance of Ukraine (MoF) and other ministries and relevant committees of the Ukrainian Parliament in improving legislation, developing methodologies, and introducing regulations to address local socioeconomic development and implementation of an effective and transparent budgeting system.

At the local level, how useful were MFSI-II training for local governments and local offices of the State Treasury and consultations on development and implementation of PPB-based budget programs, and the introduction of an energy expenditures monitoring system?

**II.12. Is there coordination between donors?** Yes No

**If so, at what stage of project such coordination occurs?**

- Planning
- Implementation
- Monitoring/Evaluation
- Working with GoU
- Communicating with media
- Other

**II.13. What are the possible spheres of donors' partnership for strengthening local governance? Do any plans of future actions in this sphere exist?**

**II.14. Is the decentralization reform irreversible?**

Yes No

Explain

## II. 15. What risks do exist to reverse the reform?

Risks/Level	National	Regional	Local
Economic			
Political			
Social			
Environmental			

*Explain*

## II.16. What should be done to make the decentralization reform irreversible? Record

### 3. PART III.

**EQ3: To what extent did USAID assistance contribute to the implementation of local government reforms that consolidated communities?<sup>17</sup>**

**III.1. How relevant is the USAID assistance to the existing needs at the national and subnational levels?** 5-point scale, where 1 – not relevant at all, 5 – very relevant

National level:	1	2	3	4	5
Regional level:	1	2	3	4	5
Local level:	1	2	3	4	5

*Explain*

**III.2. What can be considered as a positive contribution of USAID assistance to the consolidation of local communities?**

**III.3. In which areas the contribution is specifically effective?**

**III.4. What are the major gaps still not covered?**

**III.5. What changes in local governments have been occurred in?**

- Political autonomy:
- Financial autonomy:

**III.6. How the USAID LGP has contributed to these changes?**

**III.7. How sustainable is the USAID-funded contribution?** 5-point scale, where 1 – not at all, 5 – very

1      2      3      4      5

*Explain*

**III.8. What is the impact beyond the directly supported communities? How information dissemination is organized and in what ways is capacity built across the nation?**

**III.9. For consolidated communities: What are the indicators and confirmations that the jurisdiction of the city/town council has extended over the whole community territory (i.e., beyond the boundaries of populated areas but within the boundaries of the community)?**

<sup>17</sup> The Contractor's conclusions should address the extent to which reforms enacted as a result of the project are sustainable (e.g., the whether results of the reforms are irreversible).

**III.10. In your opinion, will community consolidation around cities help urban and rural territories in their local economic development? What are the potential gains?**

**III.11. To what extent gender issues and special needs of socially vulnerable groups (veterans, elderly citizens, youth, etc.) are considered and mainstreamed in technical assistance provided by LGP? 5-point scale, where 1 – not at all, 5 – very**

1      2      3      4      5

*Explain*

**III.12. What tools that were introduced and mainstreamed within LGP initiatives were most effective (select all that apply):**

Gender analysis of policy documents	1	2	3	4	5
Gender equality approach	1	2	3	4	5
Inclusive decision-making processes in local governments	1	2	3	4	5
Counteracting with gender stereotypes	1	2	3	4	5
Gender-related modules within training programs	1	2	3	4	5
Collecting gender-related statistical data	1	2	3	4	5
Gender oriented budgeting	1	2	3	4	5
Gender oriented planning/programing	1	2	3	4	5
Women political engagement	1	2	3	4	5
Women economic role	1	2	3	4	5
Case management	1	2	3	4	5
Participatory planning	1	2	3	4	5
Participatory budgeting	1	2	3	4	5
Participatory decision making	1	2	3	4	5
Other (please specify)	1	2	3	4	5

**III.13. What are evidences / success stories / lessons learned from gender and socially vulnerable groups related interventions of the LGP initiatives?**

#### **4. PART IV.**

**EQ4: How did the DOBRE and PULSE activities collaborate to achieve project Sub-Purpose 2: Local governments effectively manage resources and services that respond to community priorities?**

**IV.1. Which areas of local/municipal governance are targeted by joint activities? Please list**

**IV.2. Please describe the support activities provided to your community/authority by:**

**DOBRE:**

**PULSE:**

**IV.3. How both initiatives complement each other in achieving LGP Sub-Purpose 2?**

**IV.4. How effective is design/ architecture of LGP where each initiative works at different level and have different focus supporting decentralization reform from different angels? 5-point scale, where 1 – not at all, 5 – very**

1            2            3            4            5

*Explain*

**IV.5. Does collaboration between DOBRE and PULSE on achieving project Sub-Purpose 2 take place? 5-point scale, where 1 – not at all, 5 – very**

1            2            3            4            5

*Explain*

**IV.6. What are the evidences (both positive and negative) of such collaboration?**

**IV.7. What more can be done to ensure that the DOBRE and PULSE collaborate effectively in achieving project Sub-Purpose 2?**

**IV.8. In what ways both initiatives do support local governments in their efforts to effectively manage resources and services that respond to community priorities?**

**IV.9. What forms of support under LGP have been most effective?**

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| ○ Soft support (training, seminars, etc)   | 1 | 2 | 3 | 4 | 5 |
| ○ Study tours, conferences, etc            | 1 | 2 | 3 | 4 | 5 |
| ○ Financial (grants, contracts, loans)     | 1 | 2 | 3 | 4 | 5 |
| ○ Material (equipment, construction, etc.) | 1 | 2 | 3 | 4 | 5 |
| ○ Other, please specify                    | 1 | 2 | 3 | 4 | 5 |

**IV.10. What forms of support under LGP have been less effective?**

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| ○ Soft support (training, seminars, etc)   | 1 | 2 | 3 | 4 | 5 |
| ○ Study tours, conferences, etc            | 1 | 2 | 3 | 4 | 5 |
| ○ Financial (grants, contracts, loans)     | 1 | 2 | 3 | 4 | 5 |
| ○ Material (equipment, construction, etc.) | 1 | 2 | 3 | 4 | 5 |
| ○ Other, please specify                    | 1 | 2 | 3 | 4 | 5 |

**IV.11. What type of “hard”/“soft” assistance have you received from USAID activities? And in what ways has this assistance helped to develop your community? Examples?**

**IV.12. To what extent are the following assistance needed? 5-point scale, where 1 – not at all, 5 – very needed**

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| ○ Soft support (training, seminars, etc)   | 1 | 2 | 3 | 4 | 5 |
| ○ Study tours, conferences, etc            | 1 | 2 | 3 | 4 | 5 |
| ○ Financial (grants, contracts, loans)     | 1 | 2 | 3 | 4 | 5 |
| ○ Material (equipment, construction, etc.) | 1 | 2 | 3 | 4 | 5 |
| ○ Other, please specify                    | 1 | 2 | 3 | 4 | 5 |

*Explain*

**IV.13. In what ways have projects influenced the quality of public services to citizens? Examples?**

## 5. PART V.

**EQ5: To what extent are the types of USAID assistance described in the LGP scope no longer needed in Ukraine?**

**V.1. Which needs are already completely met or could be further supported by national/local actors?**

**V.2. Which are still unmet needs?**

**V.3. In which areas additional support is needed?**

- Legislative development/ improvement
- Institutional support
- Strategic planning
- Other, please specify

**V.4. Which areas may be/were further supported by other national and international actors?**

**V.5. What are the barriers for local economic development in communities? How can own local government resources and revenues be increased?**

**V.6. Can one say that the local government reform has been successfully synchronized with sectoral reforms (education, health care, administrative reforms)?**

**Yes**

**No**

*Explain*

**V.7. What else should be done?**

**V.8. What risks may the introduction of the new system of state oversight (prefectures) have?**

**V.9. How has the reform changed the institutional, human and financial capacity of communities? 5-point scale, where 1 – not at all, 5 – very**

- |                           |   |   |   |   |   |
|---------------------------|---|---|---|---|---|
| ▪ Institutional capacity: | 1 | 2 | 3 | 4 | 5 |
| ▪ Human capacity:         | 1 | 2 | 3 | 4 | 5 |
| ▪ Financial capacity:     | 1 | 2 | 3 | 4 | 5 |

*Explain*

**V.10. Do local governments face problems with hiring qualified staff? 5-point scale, where 1 – not at all, 5 – very**

1      2      3      4      5

*Explain*

**V.11. What can be done to address this issue? How can this situation be changed for the better? What activities were most helpful in this regard?**

**V.12. Are communities in the position to assume more powers and responsibilities? What are these powers and responsibilities?**

**V.13. How to improve capacity building for new communities? What activities would be most desirable/useful in this regard:**

- Training,
- Financial support
- Expertise

- Consulting
- Strategic planning)?
- Other, please specify

*Explain*

**V.14. What projects' activities were most helpful? What is the evidence?**

- |                         |   |   |   |   |   |
|-------------------------|---|---|---|---|---|
| ▪ Training              | I | 2 | 3 | 4 | 5 |
| ▪ Funding               | I | 2 | 3 | 4 | 5 |
| ▪ Study visits          | I | 2 | 3 | 4 | 5 |
| ▪ Expert support        | I | 2 | 3 | 4 | 5 |
| ▪ Conferences           | I | 2 | 3 | 4 | 5 |
| ▪ Other, please specify |   |   |   |   |   |

**V.15. What are some of the key lessons learned that can inform future design of projects and activities for strengthening local governance in Ukraine?**

## 6. WRAP-UP

*"I want to thank you again for your time in meeting with me. If you have any questions, please don't hesitate to get into contact with the evaluation team. We want this to be a transparent and collegial process.*

*Also, if there are any clarifications that you would like to make or if there is anything else that comes to mind that you would like to convey to us, we would be very happy to hear from you.*

*Thank you again."*



## IX. ANNEX I: EVALUATION METHODOLOGY

### I. METHODOLOGY OVERVIEW

The technical approach to evaluation of the Local Governance Project (LGP) and its three activities was based upon:

- The importance of a robust, evidence-based Whole-of-Project Evaluation (WOPE) to evaluate the activities' contributions to the project goal, and provide recommendations for future activities;
- A good understanding of the development priorities of USAID, major project modalities, and key policies, regulations, and requirements;
- Monitoring and evaluation experience by Social Impact;
- Familiarity with the LGP evaluation purposes;
- Comprehensive, mixed-methods methodology; and,
- An experienced team with deep familiarity with Ukraine and a good understanding of the operational context for local governance and decentralization work.

The evaluation covered the activities per their implementation timelines thus far, namely:

- Municipal Finance Strengthening Initiative Project (MFSI-II): October 2011 – December 2017
- Policy for Ukraine Local Self-Governance Project (PULSE): December 2015 – to date
- Decentralization Offering Better Results and Efficiency Project (DOBRE): June 2016 – to date

### 2. DATA COLLECTION METHODS

A complementary mix of qualitative and quantitative methods and analytical approaches was applied to the evaluation to meet the requirements reflected in the Statement of Work (SOW). Data collection comprised:

- **Desk review** of key program and external documents, including:
  - Secondary data and background documents describing the overall development context, development challenges, and priorities;
  - Relevant national laws and regulations, policies, and regional regulations;
  - Relevant academic and periodical publications; project plans, relevant reports, etc.;
- **Mini-survey** targeting LGP stakeholders and beneficiaries;
- **Individual and group<sup>18</sup> semi-structured interviews** with:
  - Informants from key groups of stakeholders and beneficiaries (see sampling below);
  - Experts and media representatives to collect further information about the perceived impact of activities;
  - Project Management Teams (PMTs), projects' counterparts, and representatives of other donors/donor-funded initiatives; and,
  - Public-sector and assisted communities' representatives;
- **Follow-up survey** aimed at obtaining additional information from key informants (KIs);

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<sup>18</sup> Group interviews are a less formal and strict qualitative method of data gathering, compared to focus groups. The evaluation team used this method in cases when individual one-on-one interviews were not possible due to time or availability constraints.

- **Direct observations**, including the observation of interactions between the implementers and various beneficiaries, with special attention to communication and interactional strategies.

Those methods were used to conduct a **desk review** of more than 150 various program and relevant laws and regulations, academic and periodical publications; reports, etc. During the field phase of the evaluation, 61 **individual and group semi-structured interviews** with KIs were conducted. **Follow-up survey** questionnaires were filled out by 27 KIs and 69 respondents participated in **mini-survey** exercise. In addition, **direct observations** in 19 sites were undertaken.

All proposed semi-structured interviews and group discussions, as well as the mini-survey, were organized around key evaluation questions and supported with detailed questionnaires. Each questionnaire, tailored to each group of interviewees, included both common questions as well as questions unique to each group (clearly marked). This allowed the team to obtain the full range of opinions regarding LGP and specific activities under its umbrella, and also ensured that data were comparable across all the respondents' groups. In line with the evaluation questions (EQs) formulated in the SOW, the evaluation team (ET) assessed coherence with the theory of change (ToC) behind LGP's hypotheses, of the evaluated activities and other USAID projects as well as other donor-funded technical assistance initiatives in the area of decentralization, local governance reform, and local economic development. The ET also took detailed field notes to support direct observations, in accordance with USAID's evaluation policy (January 2016). The ET's data collection protocols are presented in *Annex H. Data Collection Tools*.

### 3. SAMPLING METHODOLOGY

A combination of purposeful and snowball sampling techniques was used for samplings details and rationale of which are below.

#### 3.1. SITE SELECTION

The purposive selection of sites for data collection considered the following factors:

- Involvement into LGP activities (within DOBRE, PULSE, and MFSI-II frameworks);
- Different types of support (soft/hard) provided by LGP activities;
- Consideration of all types of assisted municipalities/communities (major regional city, sub-regional town-rayon level, and local-Consolidated Territorial Community [CTC] level); and
- Inclusive representation of Ukraine's major geographic regions (center, east, south, west).

The ET visited **seven** oblasts to carry out data collection activities, targeting municipalities of varying sizes. In each of these oblasts, the ET conducted individual and group semi-structured, in-depth interviews with the local public authority, CSO representatives; representatives from the local community. Direct observations were made, including visible signs of decentralization reform, the organization of the public space, interactions between the implementers and various beneficiaries, as well as communication with community members.

Data collection in the regions was combined with a series of interviews and/or group discussions in the capital with representatives of national authorities, donors, national and international CSOs, Ukrainian experts in the area of decentralization and governance reform, and donor-funded projects. Geographic locations for individual and group interviews are presented in the *Annex E. Evaluation Fieldwork Schedule*.

#### 3.2. RESPONDENT SELECTION

The respondents for interviews, as well as the mini-survey, were preliminarily identified in consultations with LGP implementing partners with consideration of the main groups of stakeholders and beneficiaries

representing the public, civic, and private sectors in the target regions, municipalities, and CTCs. The ET developed an extended list of potential respondents based upon analysis of activities documents (see *Annex G List of Key Informants*). In the event the identified interviewees were unavailable or uninterested in participating, the ET utilized snowball sampling in each location by asking key beneficiaries and stakeholders to recommend other KIs to interview. Respondents were selected from the following groups of stakeholders, counterparts, and beneficiaries:

- Central authorities, including the Verhovna Rada of Ukraine (VRU), Cabinet Ministers of Ukraine (CMU), Ministry of Regional Development, Construction and Municipal Services of Ukraine (MRD), and Ministry of Finance (MoF);
- Regional (oblast), sub-regional (rayon) and CTC authorities;
- USAID project management teams;
- LGP prime implementing partners (Global Communities, Institute for Budgetary and Socio-Economic Research, Association of Ukrainian Cities) and sub-partners (International Research & Exchanges Board, National Democratic Institute, Committee of Voters of Ukraine, Social Boost, Ukrainian Crisis Media Center)
- National, regional, and local civil society organizations (CSOs), local business and social initiatives, non-governmental organizations, community organizations, etc.;
- Community representatives and other beneficiaries, whenever possible;
- Other donors and donor-funded projects working in the area of decentralization and regional development; and,
- Media representatives and media specialists.

### 3.3. SEMI-STRUCTURED INTERVIEWS

Purposeful sampling was used to identify interviewees. The ET considered the following criteria in identifying potential interviewees: (1) recommendations from USAID/Ukraine; (2) representatives of organizations, including those mentioned in reports and other USAID/Ukraine documents provided; (3) members of representative organizations and/or activities featured by LGP, as evident from documents submitted by USAID/Ukraine; and (4) members of national and local authorities in regions, identified together with USAID/Ukraine. Respondents included various members of specified above stakeholders' categories.

Purposeful sampling of proposed experts, media representatives, and members of the community was carried out with consideration of the following criteria: (1) evidence of active involvement by representatives with organizations related to decentralization and local governance projects; (2) media coverage or expert analysis of issues related to decentralization and LGP; and (3) involvement with LGP-supported projects and decentralization projects. Whenever possible, representatives of communities not supported by LGP were approached (for comparison and benchmarking purposes).

The ET contacted selected respondents via phone and/or email to identify the time and place convenient for interviews and/or group discussions. Each interview or group discussion lasted approximately 60–90 minutes. See Table I below for a breakdown of the number of interviews anticipated for each respondent category.

Table 1. Interviews by Respondent Category (Not Including Survey Respondents)

Respondent Categories	Kyiv	Other Locations	Total Number of Individuals Planned to Be Interviewed	Total Number of Interviewed Individuals
Central authorities	10	-	10	9
Regional, sub-regional, and municipal authorities	-	32	32	14/7/58=79
Implementing project management teams (in each of the regional offices of PULSE and DOBRE)	6	4	10	8
Ukrainian analytical and development centers	3	-	3	5
Local CSOs and community representatives and other beneficiaries	-	8	8	37
USAID and representatives of other donors funded projects	10	2	12	12
Media at the national and sub-national levels	4	6	10	6

### 3.4. MINI-SURVEY

The mini-survey questionnaire was distributed among LGP stakeholders and beneficiaries. Additional respondents for the mini-survey were identified through a snowball sampling technique: the ET asked all interviewees to recommend additional stakeholders (specifically, beneficiaries and community representatives) who might provide information or share their feedback regarding LGP activities. The purpose of the mini-survey was to collect comparable data from those KIs who were unable to meet with the ET and/or those who did not have sufficient time to share all the information. Additionally, the mini-survey was used to reach out to KIs with whom the ET had no opportunity to meet in person but who were recommended by other KIs through snowball sampling. The list of proposed names and contact information was updated in real time, and the links to mini-survey were sent to all proposed stakeholders. All stakeholders identified via snowball sampling were asked to complete the mini-survey online.

Information about participants of the mini-survey is presented in the Table 2 below; for more detailed information please refer to *Annex K. Mini-Survey Results*.

Table 2. Participants of the Mini-Survey by Type of Respondents

Respondents' Types	Responses	
State institution	6%	4
Local self-government	73%	43
CSO	9%	5
Media	0%	0

Respondents' Types	Responses	
Expert	2%	1
USAID	0%	0
USAID-funded Project	0%	0
Other (please specify)	11%	7
	Answered	66
	Skipped	4

### 3.5. FOLLOW-UP SURVEY

KIs were asked to complete the follow-up survey that aimed to gather additional information not obtained during the interviews, if the ET believed that additional information from those respondents could be valuable. Data on participants of the follow-up survey are presented below (please also refer to *Annex L. Follow up Results* for more details).

*Table 3. Participants of the Follow-Up Survey by Type of Respondents*

Respondents' Types	Responses	
State institution	4%	1
Local self-government	30%	8
CSO	41%	11
Media	0%	0
Expert	0%	0
USAID	0%	0
USAID-funded Project	18%	5
Other donors' Project	4%	1
Other	4%	1
	Answered	27
	Skipped	0

### 3.6. DIRECT OBSERVATIONS

Whenever possible, the ET was engaged in direct observations with two purposes:

- I. To observe interaction and communication among and between various beneficiaries and representatives of organizations within the LGP framework, as well as the regional, sub-regional, municipal and local authorities;

2. To observe an overall appeal (physical location and interior of the office), compliance with visibility requirements, office organization and functioning (particularly for regional, sub-regional, municipal and local authorities, implementation partners, and CSOs and other relevant beneficiaries).

Direct observations were used as a complementary method to identify how the organization and functionality of the offices of implementing partners, authorities at various levels, and CSOs were presented. Direct observations also served to examine whether interactions between representatives and beneficiaries could be perceived as transparent, participatory, and accountable. For more information on how this method was used by the ET and for a list of guiding questions for the site visit observations, please see the Short Site Visit Observation Protocol in *Annex H. Data Collection Tools*. The following sites were used for direct observation (see Table 4).

*Table 4. List of Observed Sites*

Oblast	Sites
Dnipropetrovsk	<ul style="list-style-type: none"> <li>• CTC Tsarychanka (hospital);</li> <li>• CTC Mohyliv (market, sport hall, youth project);</li> <li>• CTC Sofiivka (supermarket);</li> <li>• CTC Vasylykivka</li> <li>• CTC Novooleksandrivka (village library, village school, Volosske village, co-working space, solid waste management)</li> </ul>
Ternopilsk	<ul style="list-style-type: none"> <li>• CTC Shumska (vocational school, diner);</li> <li>• CTC Lanivtsi (CSO project)</li> </ul>
Ivano-Frankivsk	<ul style="list-style-type: none"> <li>• CTC Pechenizhun (school, CNAP)</li> </ul>
Zakarpatska	<ul style="list-style-type: none"> <li>• CTC Tyachiv (School, CNAP)</li> </ul>
Odeska	<ul style="list-style-type: none"> <li>• CTC Krasnosilka CTC (CNAP)</li> <li>• Odesa, City Library</li> </ul>
Mykolaivsk	<ul style="list-style-type: none"> <li>• CTC Buzska (Taborivka village, local public space - park under development and cultural center)</li> </ul>

## 4. DATA ANALYSIS AND REPORTING

The ET applied the following methods in support of data analysis:

- **Contribution analysis** was used to trace linkages and to assess attribution of the results and impacts of the LGP initiatives, including intended and unintended outcomes. This approach entailed initial identification of changes that have occurred in the country, and subsequent qualitative and quantitative assessment of the contribution that LGP activities can be perceived to have made toward those changes.
- **Standard descriptive statistical analysis**, with respect to the relevant official statistical data as well as the mini-survey and follow-up survey data.
- Various types of **qualitative analysis** of narrative information, including:
  - Documentation
  - Coding and categorization

- Matrix/logical analysis
- Examining relationships and displaying data
- Major themes identification
- Discursive analysis
- Authentication conclusions
- Direct attribution/linkages

**Gap analysis** and **analysis of the lessons learned in relation to the WOPE** were used. Development of the narrative followed the evaluation framework model developed, with information organized according to EQs generated and data for each theme linked 1) within each EQ as well as 2) across EQs.

Applied together, these complementary data analysis methods allowed for production of specific and concise evaluation findings. Whenever possible, specific examples, data points, such as numbers, quotations, and other types of evidence, have been included in the final report.

## **5. GENDER AND VULNERABLE GROUPS**

The ET recognized the importance of reflecting on gender and social inclusion (GSI) as a cross-cutting issue for all USAID/Ukraine projects, including understanding how socially vulnerable groups are engaged in decentralization and local governance activities. Because of this recognition, the ET conducted a thorough desk review of project documentation and communications to examine the extent to which GSI is considered and in technical assistance provided by the LGP, and GSI-related questions were included as part of the ET's data collection. The ET also asked follow-up and probing questions when interviewees raised issues related to GSI, including those intended to reveal both positive and unintended negative impacts of decentralization efforts on women.

The evaluation examined the extent to which consideration of these issues was an integral part of the LGP programmatic activities and the ways in which GSI was integrated into new practices and behaviors promoted by the activities (see also *Annex H. Data Collection Tools*).

## X. ANNEX K: MINI-SURVEY RESULTS

### I. PARTICIPANTS

#### Location

Oblast	# of Respondents	% of Respondents
Ternopil'ska	22	31.2%
Dnipropetrovska	14	20.3%
Mykolaiv'ska	13	18.8%
Kirovohradska	4	5.8%
Kharkiv'ska	1	1.5%
Ivano-Frankiv'ska	9	13.0%
Kherson'ska	6	8.7%
Answered	69	100.00%
Skipped		1

#### Organization Type

Organization Type	# of Respondents	% of Respondents
State institution	4	6.1%
Local self-government	48	72.7%
CSO	6	9.1%
Media	0	0.0%
Expert	1	1.5%
USAID	0	0.0%
USAID-funded Project	0	0.0%
Other	7	10.6%
Answered	66	100.0%
Skipped		4

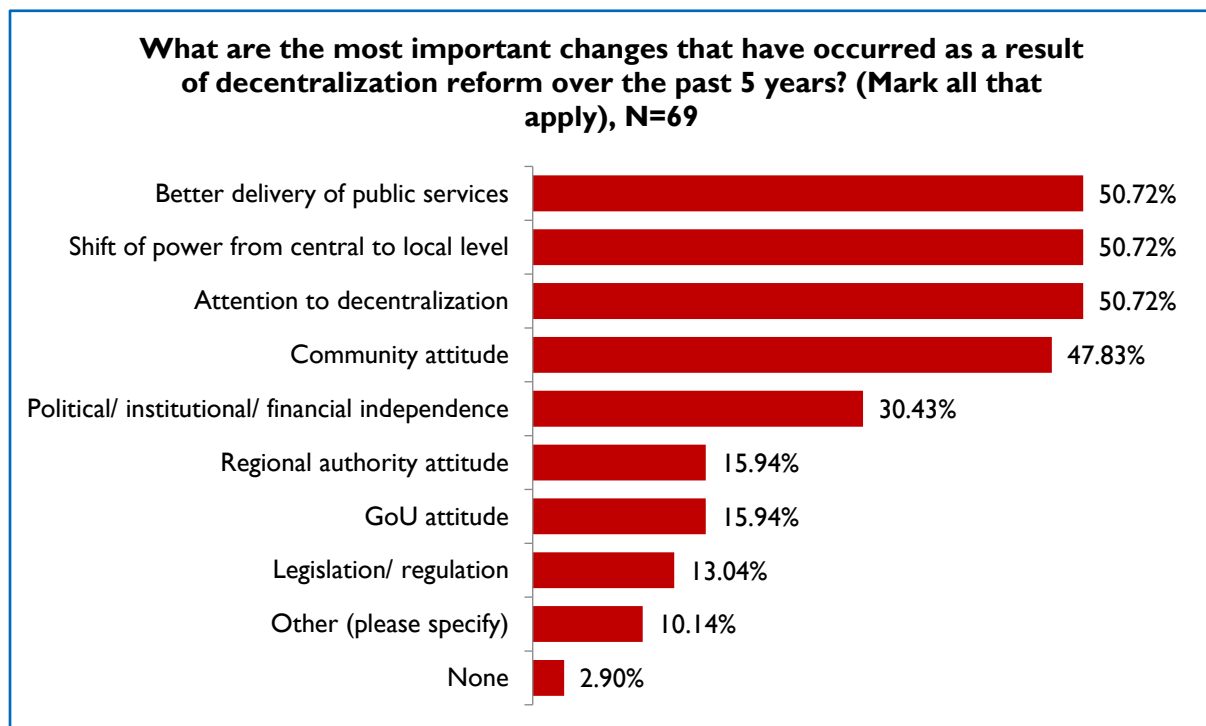
Representatives of other organizations: Lyceum, Youth council, Municipal educational institution, Agricultural company and 2 citizens.



## 2. RESPONSES

**Q1. What are the most important changes that have occurred as a result of decentralization reform over the past 5 years? (Mark all that apply)**

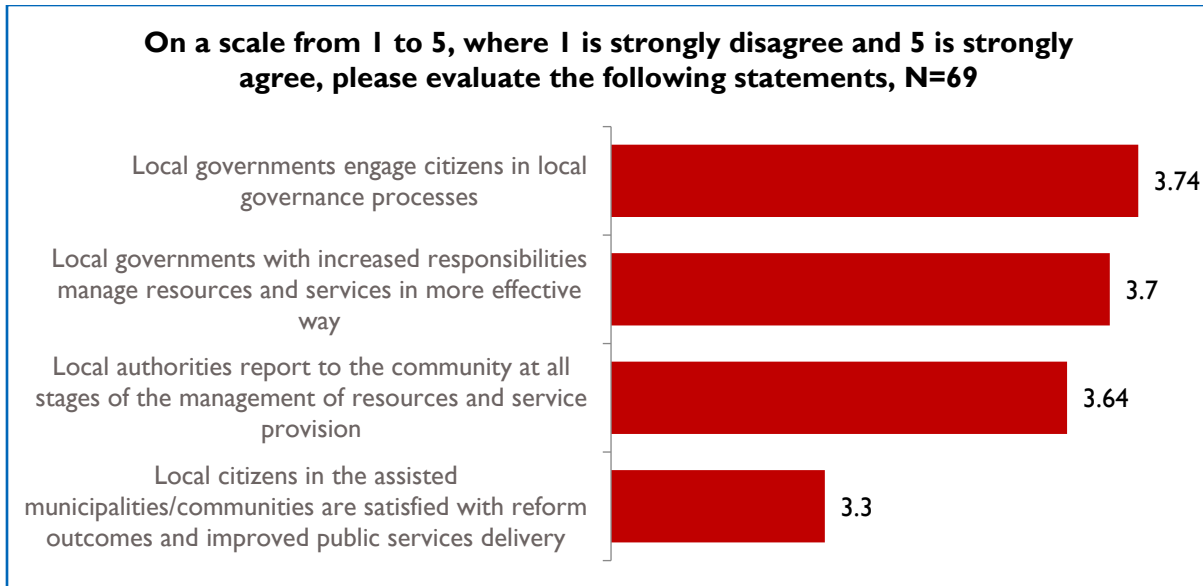
Answer Choices	# of Respondents	% of Respondents
Legislation/regulation	9	13.04%
Attention to decentralization	35	50.72%
GoU attitude	11	15.94%
Regional authority attitude	11	15.94%
Community attitude	33	47.83%
Shift of power from central to local level	35	50.72%
Political/institutional/financial independence	21	30.43%
Better delivery of public services	35	50.72%
Other (please specify)	7	10.14%
None	2	2.90%
Answered	69	100.00%
Skipped	1	



**Q2. On a scale from 1 to 5, where 1 is strongly disagree and 5 is strongly agree, please evaluate the following statements:**

- Local governments with increased responsibilities manage resources and services in more effective way
- Local governments engage citizens in local governance processes
- Local authorities report to the community at all stages of the management of resources and service provision
- Local citizens in the assisted municipalities/communities are satisfied with reform outcomes and improved public services delivery

Statements	1 (Strongly Disagree)		2 (Disagree)		3 (Neither Agree nor Disagree)		4 (Agree)		5 (Strongly Agree)		Total #	Weighted Average
	#	%	#	%	#	%	#	%	#	%		
Local governments with increased responsibilities manage resources and services in more effective way	5	7.25%	6	8.70%	10	14.49%	32	46.38%	16	23.19%	69	3.7
Local governments engage citizens in local governance processes	6	8.82%	4	5.88%	6	8.82%	38	55.88%	14	20.59%	68	3.74
Local authorities report to the community at all stages of the management of resources and service provision	5	7.25%	6	8.70%	13	18.84%	30	43.48%	15	21.74%	69	3.64
Local citizens in the assisted municipalities/communities are satisfied with reform outcomes and improved public services delivery	7	10.14%	5	7.25%	20	28.99%	34	49.28%	3	4.35%	69	3.3



**Q3. How has the reform changed the institutional, human, and financial capacity of communities?** 5-point scale, where 1 – not at all changed, 5 – changed to a great degree

1 (not at all changed)

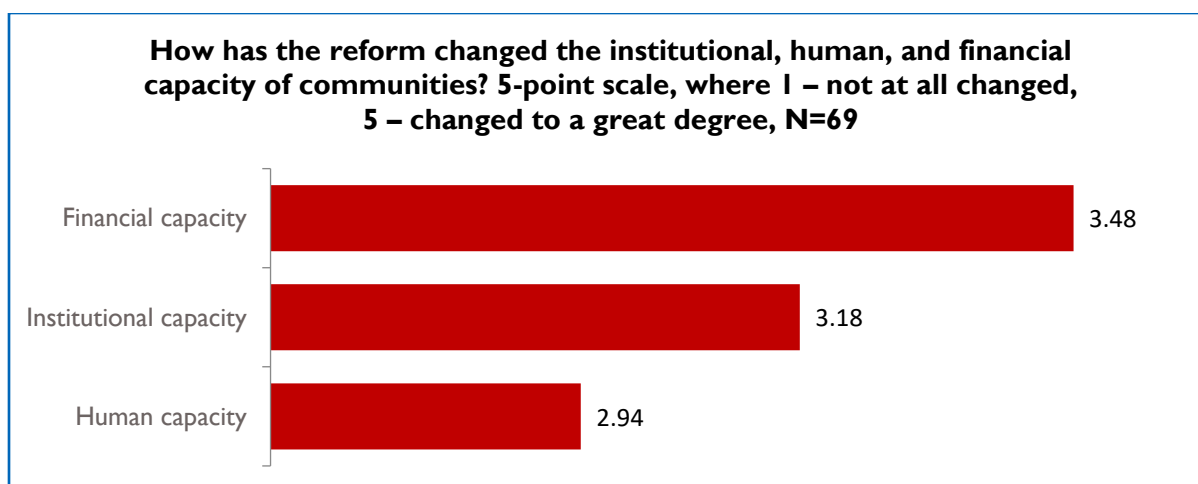
2 (slightly changed)

3 (moderately changed)

4 (very changed)

5 (changed to a great degree)

	1 (Not at All Changed)		2 (Slightly Changed)		3 (Moderately Changed)		4 (Very Changed)		5 (Changed to a Great Degree)		Total #	Weighted Average
	#	%	#	%	#	%	#	%	#	%		
Institutional capacity	8	11.76%	7	10.29%	21	30.88%	29	42.65%	3	4.41%	68	3.18
Human capacity	12	17.39%	10	14.49%	23	33.33%	18	26.09%	6	8.70%	69	2.94
Financial capacity	11	15.94%	5	7.25%	9	13.04%	28	40.58%	16	23.19%	69	3.48



**Q4. What are the most important factors for enabling a local governance system that is transparent, participatory, and accountable to citizens?** Please evaluate each choice on a 5-point scale, where 1 is most important) and 5 is least important

1 (not at all important)

2 (slightly important)

3 (moderately important)

4 (very important)

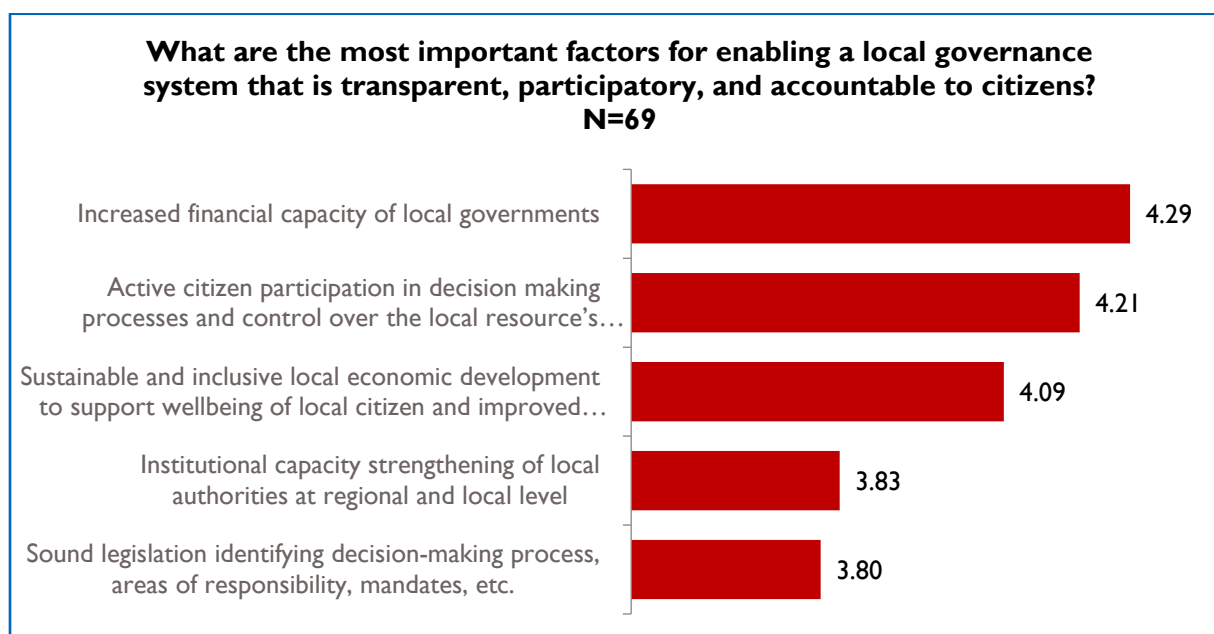
5 (extremely important)

	1 (Not at All Changed)		2 (Slightly Changed)		3 (Moderately Changed)		4 (Very Changed)		5 (Changed to a Great Degree)		Total #	Weighted Average
	#	%	#	%	#	%	#	%	#	%		
Sound legislation identifying decision-making process, areas of responsibility, mandates, etc.	2	2.90%	6	8.70%	14	20.29%	29	42.03%	18	26.09%	69	3.8
Institutional capacity strengthening of local authorities at regional and local level	2	2.90%	1	1.45%	14	20.29%	42	60.87%	10	14.49%	69	3.83
Increased financial capacity of local governments	1	1.45%	2	2.90%	7	10.14%	25	36.23%	34	49.28%	69	4.29
Active citizen participation in	2	2.94%	3	4.41%	7	10.29%	23	33.82%	33	48.53%	68	4.21

	1 (Not at All Changed)		2 (Slightly Changed)		3 (Moderately Changed)		4 (Very Changed)		5 (Changed to a Great Degree)		Total #	Weighted Average
	#	%	#	%	#	%	#	%	#	%		
decision making processes and control over the local resource's management												
Sustainable and inclusive local economic development to support well-being of local citizen and improved public services delivery	2	2.90%	2	2.90%	7	10.14%	35	50.72%	23	33.33%	69	4.09
Other (Please Specify)											2	

Other answers:

- There is no wish of the CTC leadership to publicize the financial side of CTC activities due to fears of misunderstanding and criticism from the public
- Unfortunately, admiration and community are different poles



**Q5. In which areas additional support is needed?** Please evaluate each choice on a 5-point scale, where 1 is not at all important and 5 is extremely important.

1 (not at all important)

2 (slightly important)

3 (moderately important)

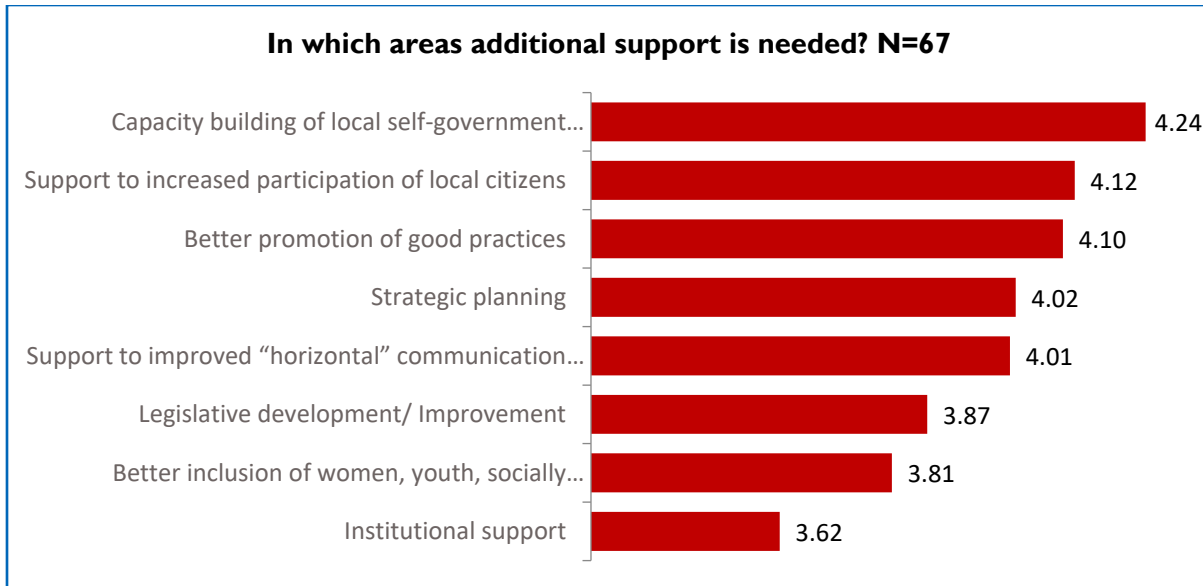
4 (very important)

5 (extremely important)

	1 (Not at All Important)		2 (Slightly Important)		3 (Moderately Important)		4 (Very Important)		5 (Extremely Important)		Total #	Weighted Average
	#	%	#	%	#	%	#	%	#	%		
Legislative development/ Improvement	2	2.99%	6	8.96%	12	17.91%	26	38.81%	21	31.34%	67	3.87
Institutional support	2	2.94%	1	1.47%	25	36.76%	33	48.53%	7	10.29%	68	3.62
Strategic planning	1	1.52%	4	6.06%	12	18.18%	25	37.88%	24	36.36%	66	4.02
Better promotion of good practices	1	1.47%	0	0.00%	12	17.65%	33	48.53%	22	32.35%	68	4.1
Support to improved “horizontal” communication between communities	0	0.00%	4	5.97%	10	14.93%	34	50.75%	19	28.36%	67	4.01
Capacity building of local self-government authorities	1	1.47%	3	4.41%	7	10.29%	25	36.76%	32	47.06%	68	4.24
Support to increased participation of local citizens	1	1.47%	1	1.47%	11	16.18%	31	45.59%	24	35.29%	68	4.12
Better inclusion of women, youth, socially vulnerable groups	3	4.41%	3	4.41%	17	25.00%	26	38.24%	19	27.94%	68	3.81
Other (please specify)											3	

Other answers:

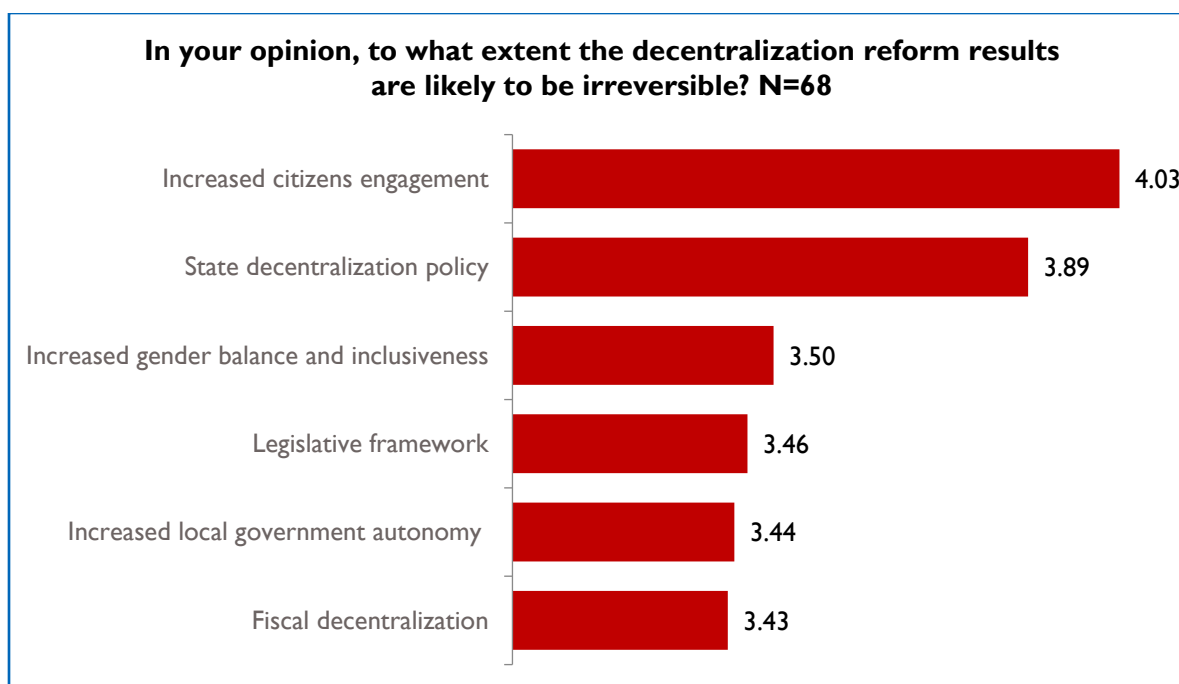
- The majority of CTC administrations have a low professional level that negatively affects community development and constructive dialogue with the public
- Do not politicize elections to local councils and hold them on a majoritarian system. There are no deputies on the territory of our village according to the proportional system and there is no one to represent interests in the council, because all deputies live in the center of the community. Whose interests will they defend?
- Lack of information, advertising, grants, projects, etc. for the population, with explanations



**Q6. In your opinion, to what extent the decentralization reform results are likely to be irreversible?** (a 5-point scale, where 1 – reforms are completely reversible, 5 – reforms are completely irreversible)

	1		2		3		4		5		Total #	Weighted Average
	#	%	#	%	#	%	#	%	#	%		
State decentralization policy	3	4.55%	2	3.03%	16	24.24%	23	34.85%	22	33.33%	66	3.89
Legislative framework	5	7.35%	4	5.88%	26	38.24%	21	30.88%	12	17.65%	68	3.46
Increased local government autonomy	4	5.88%	7	10.29%	24	35.29%	21	30.88%	12	17.65%	68	3.44
Fiscal decentralization	4	5.97%	5	7.46%	25	37.31%	24	35.82%	9	13.43%	67	3.43
Increased citizens engagement	1	1.47%	4	5.88%	14	20.59%	22	32.35%	27	39.71%	68	4.03
Increased gender balance and inclusiveness	2	3.03%	8	12.12%	21	31.82%	25	37.88%	10	15.15%	66	3.5
Other (please specify)												

Other answer: It is important that the administration was recruited by experienced, experienced experts, and not by acquaintance. To work as a specialist, give the community income rather than squandering the budget.



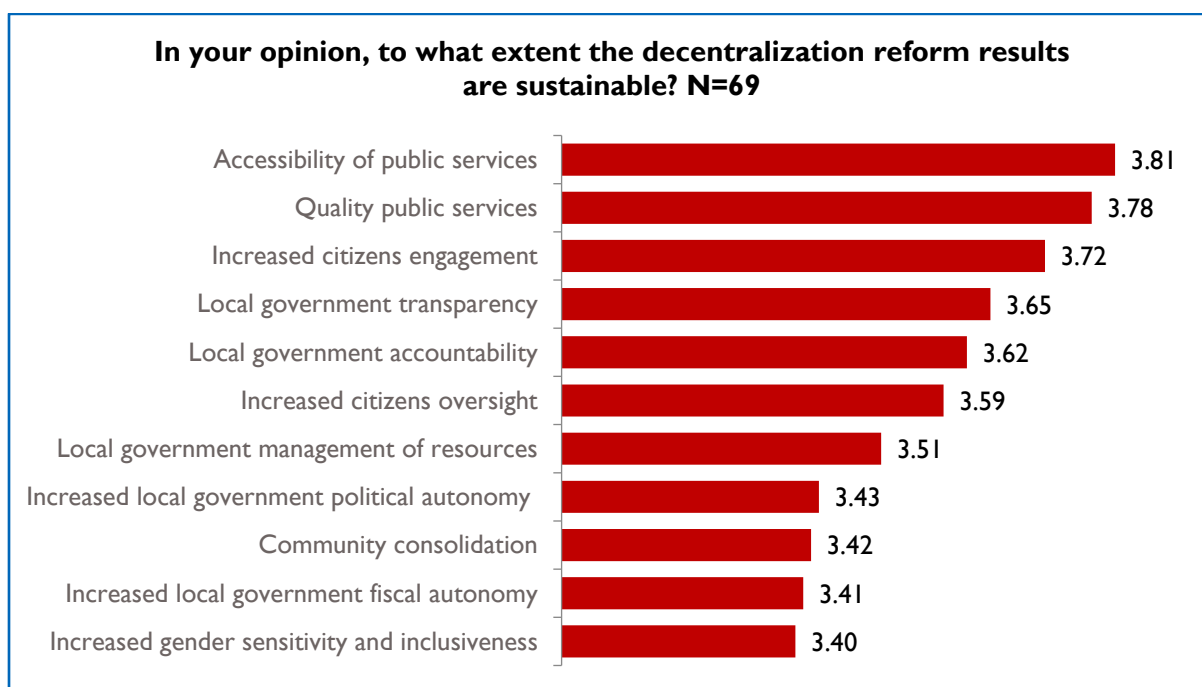
**Q7. In your opinion, to what extent the decentralization reform results are sustainable? (a 5-point scale, where 1 – reforms are not sustainable, 5 – fully sustainable)**

	1		2		3		4		5		Total #	Weighted Average
	#	%	#	%	#	%	#	%	#	%		
Increased local government political autonomy	5	7.25%	8	11.59%	15	21.74%	34	49.28%	7	10.14%	69	3.43
Increased local government fiscal autonomy	6	8.70%	8	11.59%	17	24.64%	28	40.58%	10	14.49%	69	3.41
Increased citizens engagement	5	7.25%	3	4.35%	14	20.29%	31	44.93%	16	23.19%	69	3.72
Increased citizens oversight	3	4.35%	5	7.25%	20	28.99%	30	43.48%	11	15.94%	69	3.59
Increased gender sensitivity and inclusiveness	2	2.94%	6	8.82%	29	42.65%	25	36.76%	6	8.82%	68	3.4
Community consolidation	3	4.55%	5	7.58%	27	40.91%	23	34.85%	8	12.12%	66	3.42
Local government transparency	7	10.29%	3	4.41%	14	20.59%	27	39.71%	17	25.00%	68	3.65
Local government accountability	5	7.25%	6	8.70%	14	20.29%	29	42.03%	15	21.74%	69	3.62



	1		2		3		4		5		Total #	Weighted Average
	#	%	#	%	#	%	#	%	#	%		
Local government management of resources	5	7.25%	6	8.70%	15	21.74%	35	50.72%	8	11.59%	69	3.51
Quality public services	5	7.25%	3	4.35%	10	14.49%	35	50.72%	16	23.19%	69	3.78
Accessibility of public services	5	7.35%	3	4.41%	10	14.71%	32	47.06%	18	26.47%	68	3.81
Other (please specify)											1	

Other answer: This is when there is a development plan. Jointly discussed. Transparency of implementation and understanding of the purpose of each member of the community. End the poles: The administration pretends to be working, and the community can no longer tolerate them for inactivity.



**Q8. Please rank the following risks that in your opinion undermine sustainability of the decentralization reform in your community.** Please mark each risk on a scale from 1 (biggest risk) to 5 (no risk).

### National Level

	1		2		3		4		5		Total #	Average
	%	#	%	#	%	#	%	#	%	#		
Economic	17	27.42%	14	22.58%	17	27.42%	6	9.68%	8	12.90%	62	2.06
Political	27	43.55%	6	9.68%	10	16.13%	9	14.52%	10	16.13%	62	1.85
Social	7	11.86%	12	20.34%	20	33.90%	15	25.42%	5	8.47%	59	2.64
Environmental	10	17.24%	12	20.69%	16	27.59%	13	22.41%	7	12.07%	58	2.43

### Regional Level

	1		2		3		4		5		Total #	Average
	%	#	%	#	%	#	%	#	%	#		
Economic	8	13.56%	16	27.12%	19	32.20%	9	15.25%	7	11.86%	59	2.37
Political	12	21.05%	11	19.30%	18	31.58%	8	14.04%	8	14.04%	57	2.25
Social	7	12.50%	9	16.07%	20	35.71%	18	32.14%	2	3.57%	56	2.84
Environmental	8	14.55%	10	18.18%	18	32.73%	15	27.27%	4	7.27%	55	2.65

### Local Level

	1		2		3		4		5		Total #	Average
	%	#	%	#	%	#	%	#	%	#		
Economic	12	24.00%	11	22.00%	11	22.00%	10	20.00%	6	12.00%	50	2.26
Political	10	21.74%	4	8.70%	14	30.43%	7	15.22%	11	23.91%	46	2.15
Social	9	19.15%	10	21.28%	14	29.79%	8	17.02%	6	12.77%	47	2.32
Environmental	8	16.67%	11	22.92%	10	20.83%	10	20.83%	9	18.75%	48	2.27

## XI. ANNEX L: FOLLOW-UP RESULTS

### 3. PARTICIPANTS

Table K.1. Distribution of the Respondents by Organization Type

Organization Type	# of Respondents	% of Respondents
State institution	1	3.7%
Local self-government	8	29.6%
CSO	11	40.7%
Media	0	0.0%
Expert	0	0.0%
USAID	0	0.0%
USAID-funded Project	5	18.5%
Other	1	3.7%
Other donors' Project	1	3.7%
Answered	27	100.0%

Representatives of other organizations: Associations of Local Governments.

### 4. RESPONSES

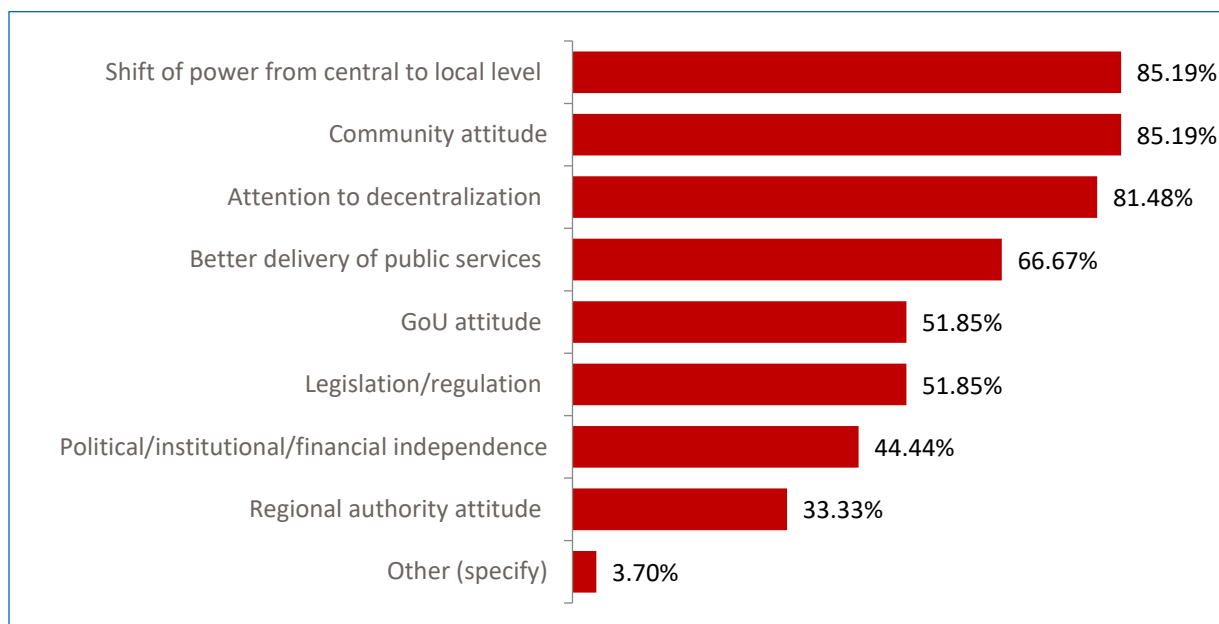
**EQ1.1. What are the most important changes that have occurred as a result of decentralization reform over the past 5 years? (Mark all that apply)**

Table K.2. Changes Occurred as a Result of Decentralization Reform

Answer Choices	# of Respondents	% of Respondents
Other (specify)	1	3.7%
Regional authority attitude	9	33.3%
Political/institutional/financial independence /	12	44.4%
Legislation/regulation	14	51.8%
GoU attitude	14	51.9%
Better delivery of public services	18	66.7%
Attention to decentralization	22	81.5%
Community attitude	23	85.2%

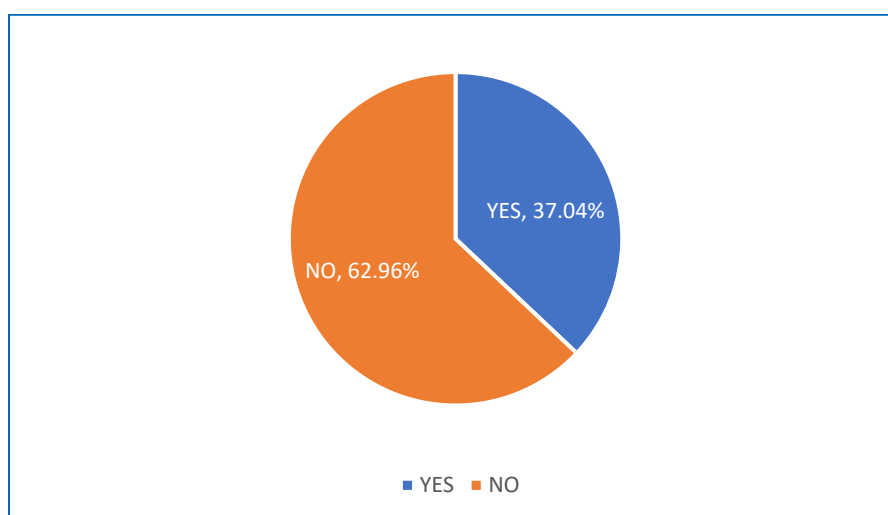
Answer Choices	# of Respondents	% of Respondents
Shift of power from central to local level	23	85.2%
Answered	27	100.00%

Figure K.1. Changes Occurred as a Result of Decentralization Reform, N=27



**EQ1.2. Is a sound framework for decentralization in place (decentralized decision-making mechanism with clearly defined responsibilities and mandates of authorities at various levels – national, regional, local)?**

Figure K.2. Distribution of Respondents by their Opinion whether Sound Framework for Decentralization in Place, N=27



### EQI.3. Are the amendments to the legislation on decentralization still needed?

100% of respondents (N=27) consider that the amendments to the legislation on decentralization still needed.

### EQI.10. To what extent citizens are engaged in local governance oversight? (in 5-points scale, where 1 –not engaged at all, 5 – fully engaged)

Table K.3. Citizens' engagement in local governance oversight, N=26

Scale	Not Engaged at All 1	2	3	4	Fully Engaged 5
%	3.85%	15.38%	46.15%	30.77%	3.85%
# of respondents	1	4	12	8	1

Mean = 3.15.

### EQI.9. To what extent citizens are engaged in local decision-making processes? (in 5-points scale, where 1 –not engaged at all, 5 – fully engaged)

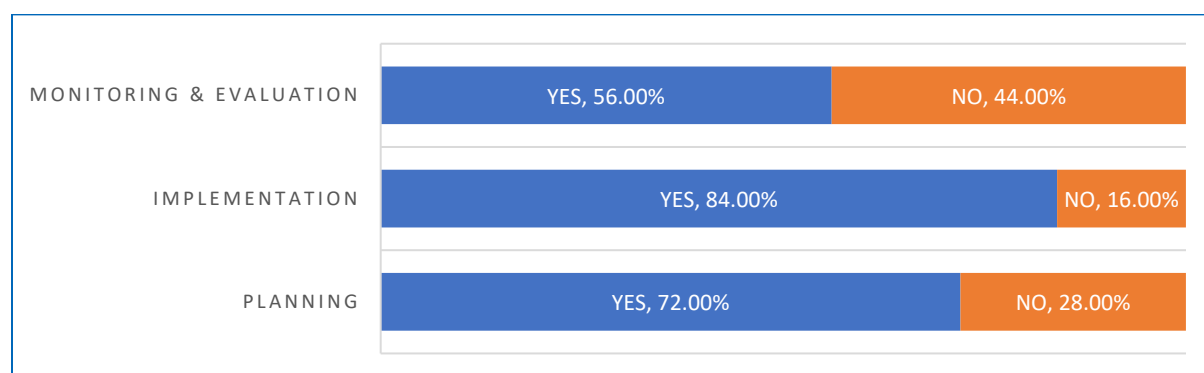
Table K.4. Citizens' engagement in local governance oversight, N=26

Scale	Not Engaged at All 1	2	3	4	Fully Engaged 5
%	3.85%	15.38%	53.85%	23.08%	3.85%
# of respondents	1	4	14	6	1

Mean = 3.08.

### EQI.11. Do local authorities report to the community at all stages of the management of resources and service provision?

Figure K.3. Distribution of Respondents by their Opinion Whether Local Authorities Report to the Community, N=25

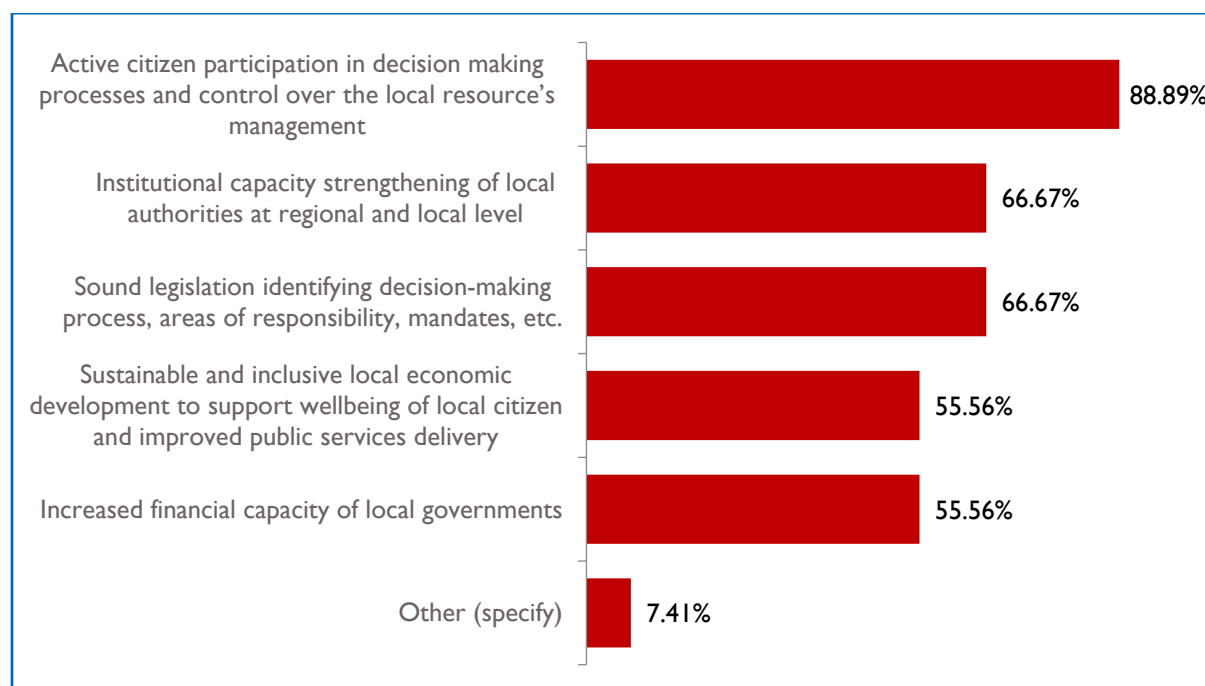


**EQI.15. Do you think the LGP (DOBRE, PULSE, MSFI-II) offers overall a right approach to support of decentralization reform?**

100% of respondents (N=26) consider that the LGP (DOBRE, PULSE, MSFI-II) offers overall a right approach to support of decentralization reform.

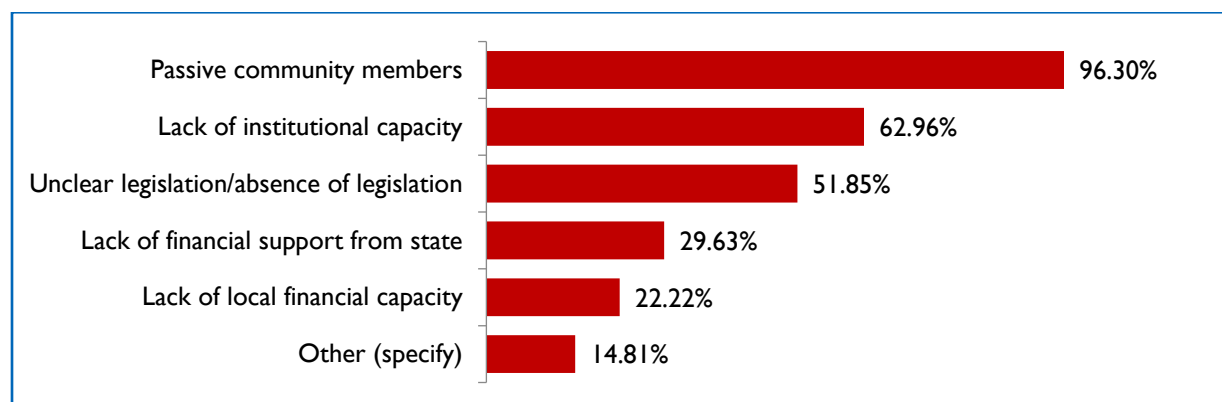
**EQI.16. What are the most important factors in enabling transparent, participatory, and accountable to citizens local governance system? (mark all that apply)**

Figure K.4. Important Factors Enabling Transparent, Participatory, and Accountable to Citizens Local Governance System, N=27



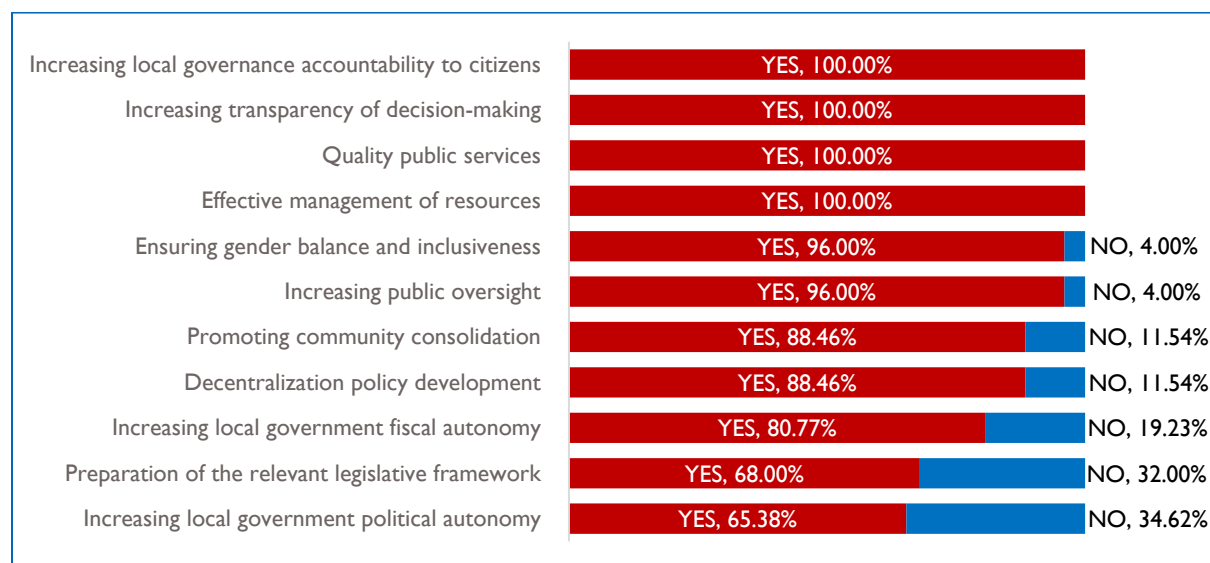
**EQI.17. What are the major barriers to transparent, participatory, and accountable to citizens local governance system? (Mark all that apply)**

Figure K.5. Major Barriers to Transparent, Participatory, and Accountable to Citizens Local Governance System, N=27



**EQ2.5. Did LGP and its activities (DOBRE, PULSE, MSFI-II) respond to the need of: (Mark all that apply)**

Figure K.6. LGP Responsiveness to the Need of Local Governance, N=26



**EQ3.3. In your opinion, which types of LGP support are more/less effective by a 5-point scale, where 1 – completely ineffective, 5 – fully effective?**

Figure K.7. Effectiveness of LGP Support, N=27

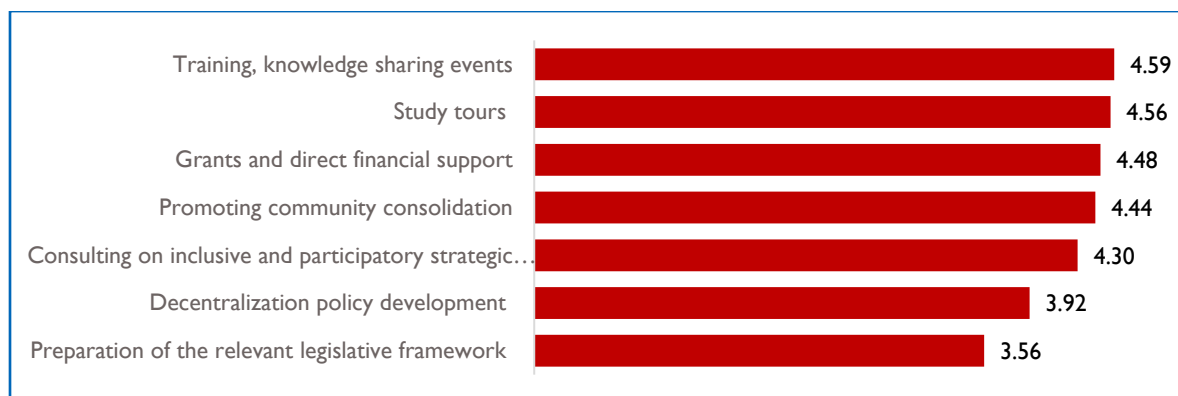


Table K.5. Effectiveness of LGP Support, N=27

		Completely Ineffective 1	2	3	4	Fully Effective 5
Decentralization policy development	%	3.85%	0.00%	23.08%	46.15%	26.92%
	# of respondents	1	0	6	12	7
Preparation of the relevant legislative framework	%	4.00%	8.00%	32.00%	40.00%	16.00%
	# of respondents	1	2	8	10	4

		Completely Ineffective 1	2	3	4	Fully Effective 5
Consulting on inclusive and participatory strategic planning	%	0.00%	3.70%	11.11%	37.04%	48.15%
	# of respondents	0	1	3	10	13
Training, knowledge sharing events	%	0.00%	0.00%	3.70%	33.33%	62.96%
	# of respondents	0	0	1	9	17
Study tours	%	0.00%	0.00%	4.00%	36.00%	60.00%
	# of respondents	0	0	1	9	15
Grants and direct financial support	%	0.00%	0.00%	14.81%	22.22%	62.96%
	# of respondents	0	0	4	6	17
Promoting community consolidation	%	0.00%	0.00%	11.11%	33.33%	55.56%
	# of respondents	0	0	3	9	15

**EQ3.5. To what extent local citizens in the assisted municipalities/communities are satisfied with reform outcomes?** (a 5-point scale, where 1 – completely dissatisfied, 5 – fully satisfied)

Table K.6. Local Citizens' Satisfaction with Reform Outcomes, N=26

Scale	Completely Dissatisfied 1	2	3	4	Fully Satisfied 5
%	3.85%	3.85%	26.92%	50.00%	15.38%
# of respondents	1	1	7	13	4

Mean = 3.69.

**EQ3.6. To what extent local citizens in the assisted municipalities/communities are satisfied with improved public services delivery?** (a 5-point scale, where 1 – completely dissatisfied, 5 – fully satisfied)

Table K.7. Local Citizens' Satisfaction with Improved Public Services Delivery, N=26

Scale	Completely Dissatisfied 1	2	3	4	Fully Satisfied 5
%	0.00%	0.00%	30.77%	53.85%	15.38%



Scale	Completely Dissatisfied 1	2	3	4	Fully Satisfied 5
-------	------------------------------	---	---	---	----------------------

# of respondents	0	0	8	14	4
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Mean = 3.85.

**EQ3.7. In your opinion, now citizens in the assisted communities have more control over management of local resources as the result of reform?** (a 5-point scale, where 1 – Strongly Disagree, 5 – strongly agree)

Table K.8. Local Citizens Satisfaction Have More Control over Management of Local Resources, N=26

Scale	Strongly Disagree 1	2	3	4	Strongly Agree 5
-------	------------------------	---	---	---	---------------------

%	0.00%	7.41%	37.04%	37.04%	18.52%
---	-------	-------	--------	--------	--------

# of respondents	0	2	10	10	5
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Mean = 3.67.

**EQ3.7. In your opinion, now citizens in the assisted communities have more quality public services as the result of reform** (a 5-point scale, where 1 – Strongly Disagree, 5 – strongly agree)

Table K.9. Citizens Have More Quality Public Services, N=26

Scale	Strongly Disagree 1	2	3	4	Strongly Agree 5
-------	------------------------	---	---	---	---------------------

%	0.0%	0.0%	11.5%	65.4%	23.1%
---	------	------	-------	-------	-------

# of respondents	0	0	3	17	6
------------------	---	---	---	----	---

Mean = 4.12.

**EQ3.7. In your opinion, now citizens in the assisted communities have better access to public services as the result of reform** (a 5-point scale, where 1 – Strongly Disagree, 5 – strongly agree)

Table K.10. Citizens Have Better Access to Public Services, N=26

Scale	Strongly Disagree 1	2	3	4	Strongly Agree 5
-------	------------------------	---	---	---	---------------------

%	0.00%	0.00%	7.69%	61.54%	30.77%
---	-------	-------	-------	--------	--------

Scale	Strongly Disagree 1	2	3	4	Strongly Agree 5
-------	------------------------	---	---	---	---------------------

# of respondents	0	0	2	16	8
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Mean = 4.23.

**EQ3.8. How financial situation in assisted communities has improved as a result of reform?** (a 5-point scale, where 1 – not improved at all, 5 – extremely improved)

Table K.11. Improvement of Financial Situation as Reform Result, N=27

Scale	Not Improved at All 1	2	3	4	Extremely Improved 5
-------	--------------------------	---	---	---	-------------------------

%	0.00%	11.11%	7.41%	51.85%	29.63%
---	-------	--------	-------	--------	--------

# of respondents	0	3	2	14	8
------------------	---	---	---	----	---

Mean = 4.00.

**EQ3.9. Did own revenue of local governments increased?** (a 5-point scale, where 1 – not increased at all, 5 – increased significantly)

Table K.12. Increasing of Local Governments' Revenue, N=27

Scale	Not Increased at All 1	2	3	4	Increased Significantly 5
-------	---------------------------	---	---	---	------------------------------

%	0.00%	7.41%	22.22%	37.04%	33.33%
---	-------	-------	--------	--------	--------

# of respondents	0	2	6	10	9
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Mean = 3.96.

**EQ3.10. Did the management of local resources improve as a result of LGP assistance?** (a 5-point scale, where 1 – not improve at all, 5 – improved significantly)

Table K.13. Improvement of Management of Local Resources as Result of LGP Assistance, N=27

Scale	Not Improved at All 1	2	3	4	Improved Significantly 5
-------	--------------------------	---	---	---	-----------------------------

%	7.41%	3.70%	22.22%	37.04%	29.63%
---	-------	-------	--------	--------	--------

Scale	Not Improved at All 1	2	3	4	Improved Significantly 5
# of respondents	2	1	6	10	8

Mean = 3.78.

**EQ3.11. To what extent gender issues and special needs of socially vulnerable groups (veterans, elderly citizens, youth, etc.) are considered and mainstreamed by LGP? (a 5-point scale, where 1 – not considered at all, 5 – fully considered)**

Table K.14. Considering and Mainstreaming of Gender Issues and Special Needs of Socially Vulnerable Groups, N=27

Scale	Not Considered at All 1	2	3	4	Fully Considered 5
%	3.70%	11.11%	14.81%	59.26%	11.11%
# of respondents	1	3	4	16	3

Mean = 3.63.

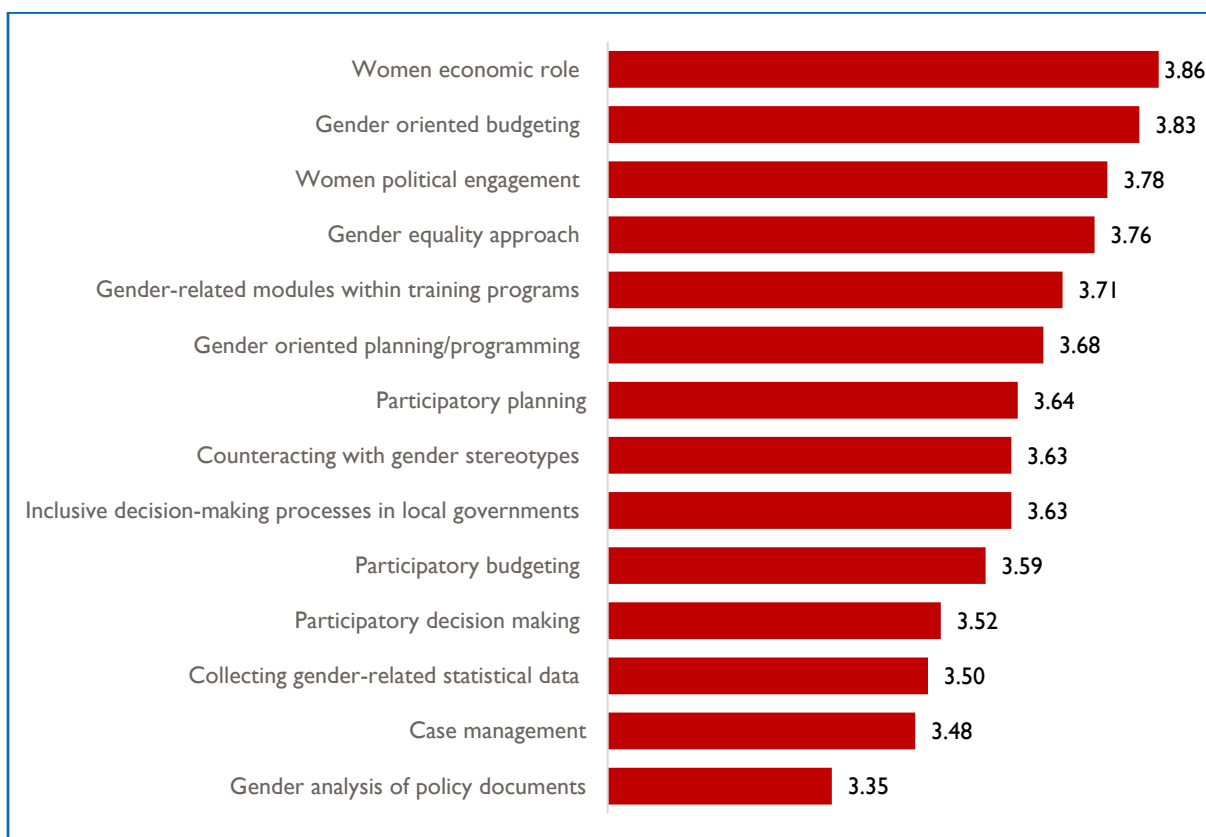
**EQ3.12. Which tools offered by LGP in enhancing gender balance were most helpful? (a 5-point scale, where 1 is least helpful and 5 is most helpful) - [Select all applicable]**

Table K.15. Most Helpful Tools Enhancing Gender Balance, N=25

		Least Helpful 1	2	3	4	Most Helpful 5
Gender analysis of policy documents	%	8.70%	8.70%	39.13%	26.09%	17.39%
	# of respondents	2	2	9	6	4
Gender equality approach	%	4.00%	12.00%	20.00%	32.00%	32.00%
	# of respondents	1	3	5	8	8
Inclusive decision-making processes in local governments	%	4.17%	4.17%	33.33%	41.67%	16.67%
	# of respondents	1	1	8	10	4
Counteracting with gender stereotypes	%	4.17%	4.17%	41.67%	25.00%	25.00%
	# of respondents	1	1	10	6	6
Gender-related modules within	%	4.17%	12.50%	25.00%	25.00%	33.33%

		Least Helpful 1	2	3	4	Most Helpful 5
training programs	# of respondents	1	3	6	6	8
Collecting gender-related statistical data	%	9.09%	9.09%	27.27%	31.82%	22.73%
	# of respondents	2	2	6	7	5
Gender oriented budgeting	%	4.17%	8.33%	20.83%	33.33%	33.33%
	# of respondents	1	2	5	8	8
Gender oriented planning/programming	%	4.55%	9.09%	27.27%	31.82%	27.27%
	# of respondents	1	2	6	7	6
Women political engagement	%	4.35%	4.35%	30.43%	30.43%	30.43%
	# of respondents	1	1	7	7	7
Women economic role	%	0.00%	9.09%	27.27%	31.82%	31.82%
	# of respondents	0	2	6	7	7
Case management	%	4.76%	9.52%	38.10%	28.57%	19.05%
	# of respondents	1	2	8	6	4
Participatory planning	%	4.55%	18.18%	9.09%	45.45%	22.73%
	# of respondents	1	4	2	10	5
Participatory budgeting	%	13.64%	4.55%	18.18%	36.36%	27.27%
	# of respondents	3	1	4	8	6
Participatory decision making	%	9.52%	14.29%	14.29%	38.10%	23.81%
	# of respondents	2	3	3	8	5

Figure K.8. Most Helpful Tools Enhancing Gender Balance (mean), N=25



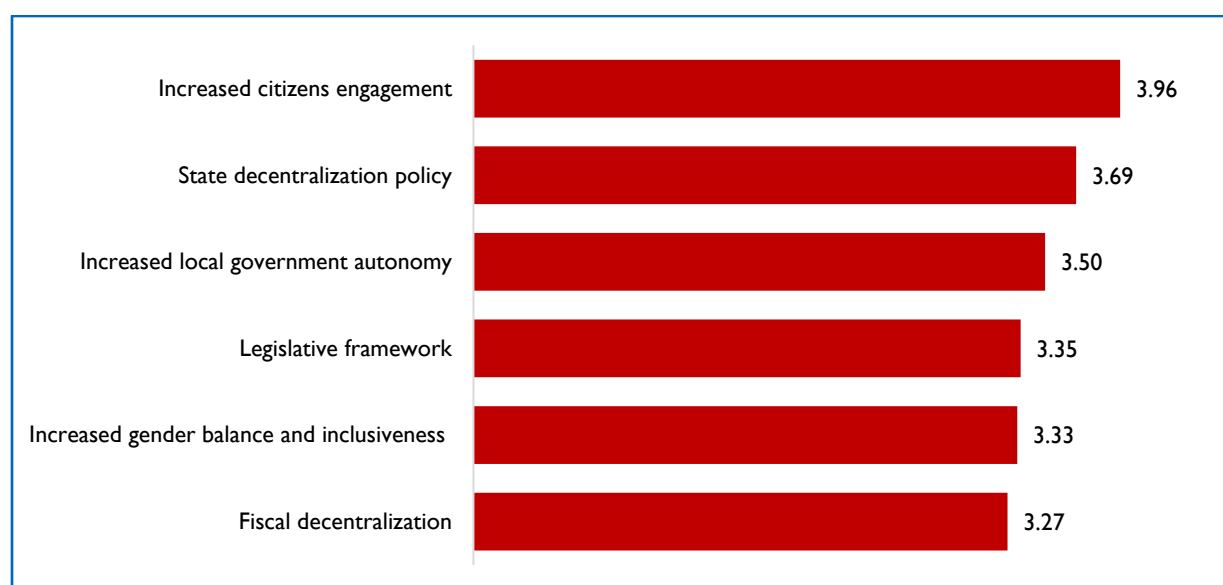
**EQ3.14. In your opinion, to what extent the decentralization reform results are likely to be irreversible?** (a 5-point scale, where 1 – reforms are completely reversible, 5 – reforms are completely irreversible)

Table K.16. Irreversibility of Decentralization Reform Results, N=27

		Reforms Are Completely Reversible 1	2	3	4	Reforms Are Completely Irreversible 5
State decentralization policy	%	0.00%	11.54%	30.77%	34.62%	23.08%
	# of respondents	0	3	8	9	6
Legislative framework	%	3.85%	19.23%	26.92%	38.46%	11.54%
	# of respondents	1	5	7	10	3
Increased local government autonomy	%	3.85%	15.38%	23.08%	42.31%	15.38%
	# of respondents	1	4	6	11	4
Fiscal decentralization	%	7.69%	11.54%	34.62%	38.46%	7.69%
	# of respondents	2	3	9	10	2

		Reforms Are Completely Reversible 1	2	3	4	Reforms Are Completely Irreversible 5
Increased citizens engagement	%	0.00%	3.70%	22.22%	48.15%	25.93%
	# of respondents	0	1	6	13	7
Increased gender balance and inclusiveness	%	3.70%	11.11%	40.74%	37.04%	7.41%
	# of respondents	1	3	11	10	2

Figure K.9. Irreversibility of Decentralization Reform Results (mean), N=27



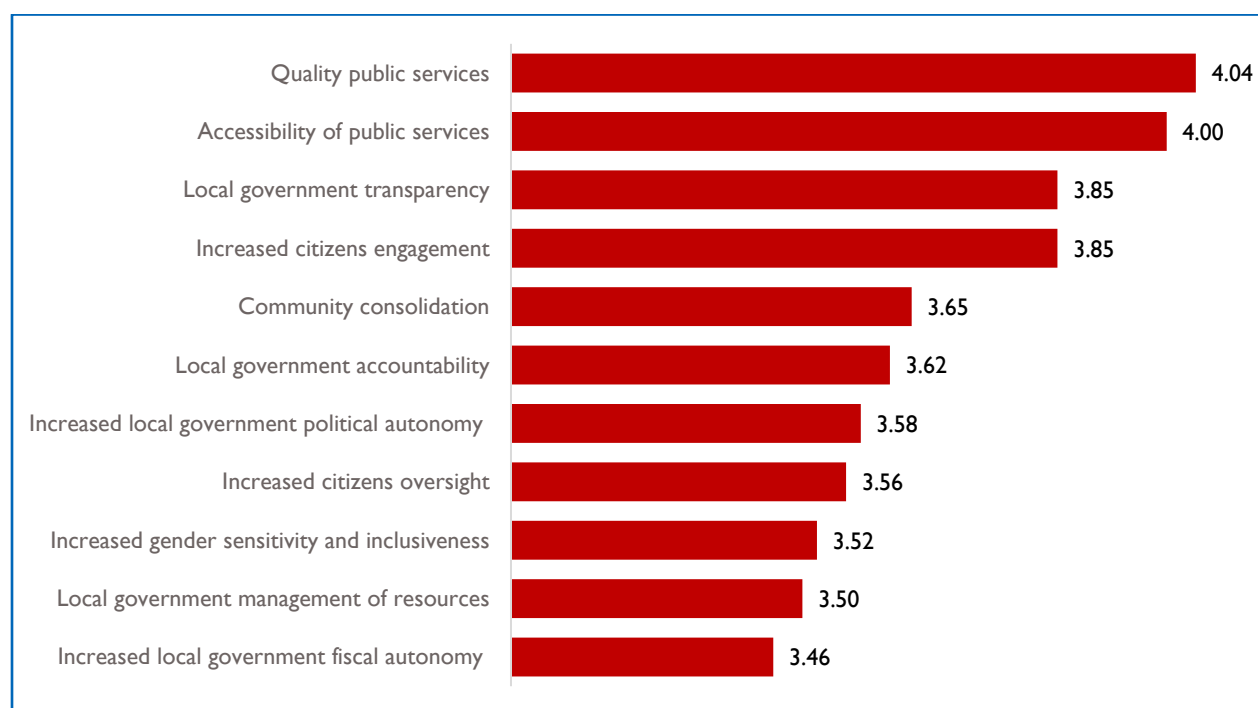
**EQ3.15. In your opinion, to what extent the decentralization reform results are sustainable?**  
(a 5-point scale, where 1 – reforms are not sustainable, 5 – fully sustainable)

Table K.17. Sustainability of Decentralization Reform Results, N=27

		Reforms Are Not Sustainable 1	2	3	4	Fully Sustainable 5
Increased local government political	%	0.00%	7.69%	34.62%	50.00%	7.69%
	# of respondents	0	2	9	13	2
Increased local government fiscal autonomy	%	3.85%	7.69%	38.46%	38.46%	11.54%
	# of respondents	1	2	10	10	3

		Reforms Are Not Sustainable 1	2	3	4	Fully Sustainable 5
Increased citizens engagement	%	3.70%	0.00%	22.22%	55.56%	18.52%
	# of respondents	1	0	6	15	5
Increased citizens oversight	%	3.70%	14.81%	18.52%	48.15%	14.81%
	# of respondents	1	4	5	13	4
Increased gender sensitivity and inclusiveness	%	0.00%	3.70%	44.44%	48.15%	3.70%
	# of respondents	0	1	12	13	1
Community consolidation	%	3.85%	11.54%	19.23%	46.15%	19.23%
	# of respondents	1	3	5	12	5
Local government transparency	%	3.85%	7.69%	19.23%	38.46%	30.77%
	# of respondents	1	2	5	10	8
Local government accountability	%	3.85%	11.54%	26.92%	34.62%	23.08%
	# of respondents	1	3	7	9	6
Local government management of resources	%	3.85%	11.54%	26.92%	46.15%	11.54%
	# of respondents	1	3	7	12	3
Quality public services	%	0.00%	0.00%	26.92%	42.31%	30.77%
	# of respondents	0	0	7	11	8
Accessibility of public services	%	0.00%	7.69%	19.23%	38.46%	34.62%
	# of respondents	0	2	5	10	9

Figure K.10. Sustainability of Decentralization Reform Results (mean), N=27



**EQ3.17. What risks are visible regarding the decentralization reform sustainability?** (select all that apply) (a 5-point scale, where 1 – risks not visible at all, 5 – extremely visible)

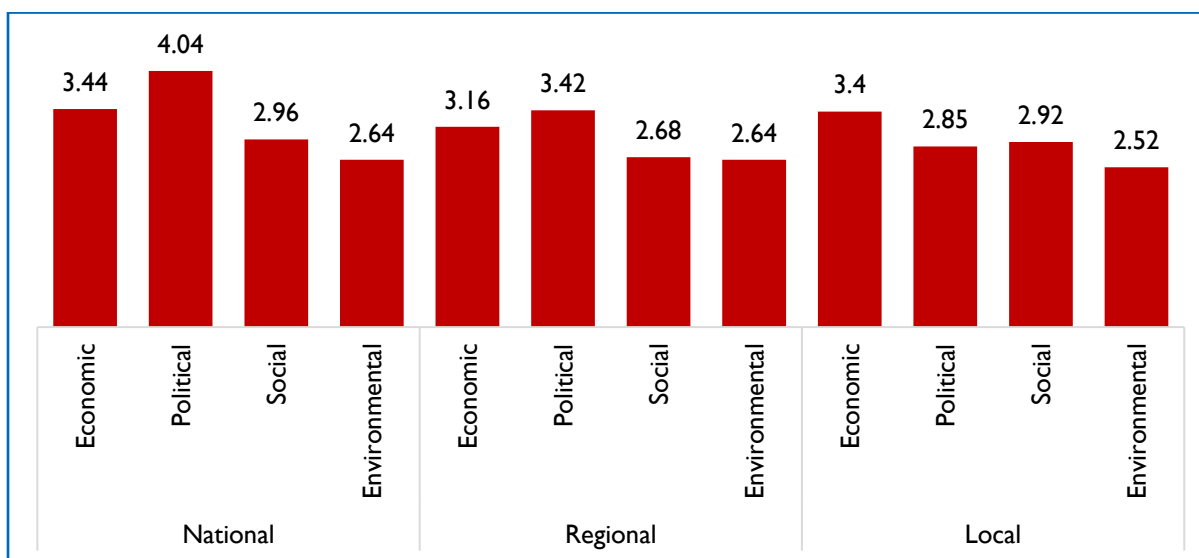
Table K.18. Visible Risks Regarding Decentralization Reform Sustainability, N=26

		Risks Not Visible at All	2	3	4	Extremely Visible
		1				5
<b>National Level</b>						
Economic	%	8.00%	12.00%	28.00%	32.00%	20.00%
	# of respondents	2	3	7	8	5
Political	%	7.69%	7.69%	3.85%	34.62%	46.15%
	# of respondents	2	2	1	9	12
Social	%	12.00%	12.00%	52.00%	16.00%	8.00%
	# of respondents	3	3	13	4	2
Environmental	%	24.00%	24.00%	28.00%	12.00%	12.00%
	# of	6	6	7	3	3



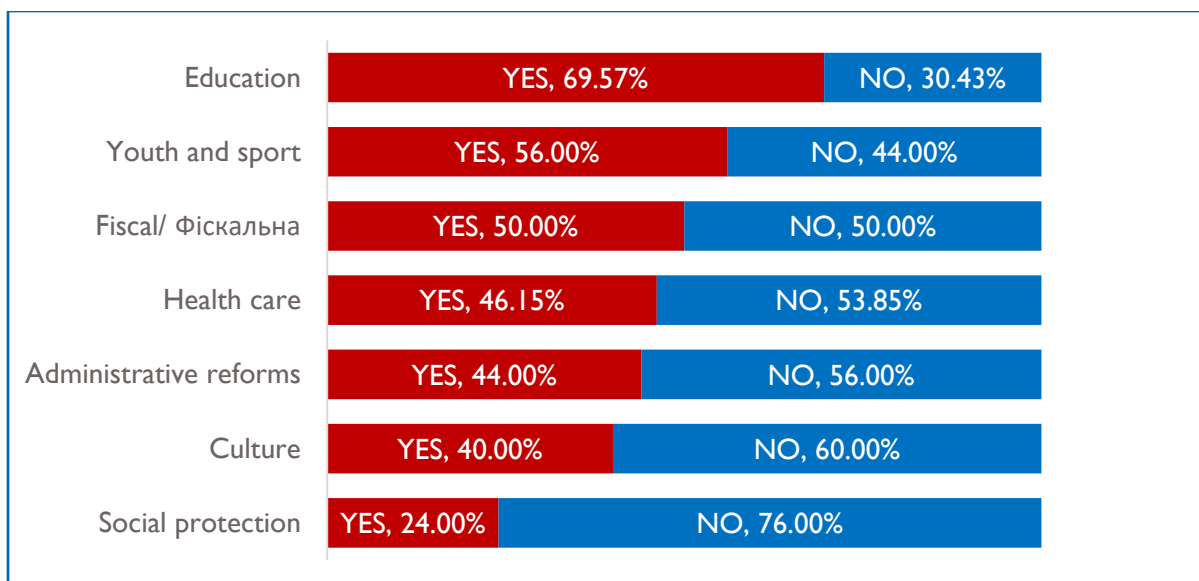
		Risks Not Visible at All	2	3	4	Extremely Visible
		1				5
respondents						
Regional Level						
Economic	%	4.00%	20.00%	40.00%	28.00%	8.00%
	# of respondents	1	5	10	7	2
Political	%	3.85%	19.23%	26.92%	30.77%	19.23%
	# of respondents	1	5	7	8	5
Social	%	16.00%	24.00%	36.00%	24.00%	0.00%
	# of respondents	4	6	9	6	0
Environmental	%	16.00%	32.00%	28.00%	20.00%	4.00%
	# of respondents	4	8	7	5	1
Local Level						
Economic	%	4.00%	12.00%	36.00%	36.00%	12.00%
	# of respondents					
Political	%	11.54%	34.62%	23.08%	19.23%	11.54%
	# of respondents	3	9	6	5	3
Social	%	4.00%	32.00%	40.00%	16.00%	8.00%
	# of respondents	1	8	10	4	2
Environmental	%	24.00%	28.00%	32.00%	4.00%	12.00%
	# of respondents	6	7	8	1	3

Figure K.11. Visible Risks Regarding Decentralization Reform Sustainability (mean), N=26



#### EQ5.8. Is the decentralization reform has been successfully synchronized with sector reforms?

Figure K.12. Decentralization Reform Synchronizing with Sector Reforms, N=26



## XII. ANNEX M: FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS MATRIX

Findings	Conclusions	Recommendations
<b>EQ1: To what extent is the LGP development hypothesis, “IF the GOU implements a sound framework for decentralization, local governments effectively manage resources and services, and citizens engage in local governance processes and provide oversight, THEN local governance will be more transparent, participatory, and accountable to citizens,” valid?</b>		
1) All the interviewed stakeholder groups reviewed the development hypothesis and stated it is still valid to a great extent.	1) To a large extent, the LG development hypothesis is valid. At least 3 additional factors, critical for enhancement of transparent, participatory and accountable local governance could be added, namely: <ul style="list-style-type: none"> <li>a) availability of “driver(s) of change”</li> <li>b) a critical mass of activists</li> <li>c) enabling environment.</li> </ul>	1) USAID should not change the LGP development hypothesis but for its effective implementation three additional factors identified during the evaluation should be considered (as formulated in Conclusion 1).
2) There are three additional factors identified during evaluation that influence transparent, accountable and participatory LG: <ul style="list-style-type: none"> <li>a) DOBRE work at CTC level shows that community becomes more participatory and accountable to citizens if it has dedicated “driver(s)” of change and critical mass of activists and supporters.</li> <li>b) Stakeholders at local level noted that it is important to stimulate and encourage community activists to help the community to develop itself, to become empowered;</li> <li>c) PULSE activity shows that to enforce sound framework for decentralization, especially at local level, enabling environment is important. Such environment includes a set of interrelated conditions—such as legal, bureaucratic, fiscal, informational, political, and cultural. (LGP implementers).</li> </ul>		
3) The foundation of a sound framework for decentralization is established, which resulted in creating of 884 CTCs, which cover 39% of territory of Ukraine with 9.1 million residents living there (26% of the total population. Prospective plans for the creation of CTCs cover 82% of territory of Ukraine and 74% of the total population.	2) While a solid foundation for decentralization has been initiated, the amalgamation process needs to be completed. A legal basis is needed for the next phase of decentralization reform to: <ul style="list-style-type: none"> <li>a) address duplication of functions (especially in social/ medical spheres) between regional and rayon administrations and CTCs</li> <li>b) solve conflicts about properties (e.g. roads, social infrastructure, etc.)</li> </ul>	

	c) clearly define the administrative-territorial system of Ukraine.	
4) There are positive results of the implementation of the LGP activities (DOBRE, PULSE and NSF-II) reflecting the validity of development hypothesis seen by the evaluation at national level (sound framework of decentralization, program focused budgeting); regional and local levels (management of resources, service delivery, citizens' engagement).		
5) Overall, changes in the assisted communities include (based on the survey of respondents): <ul style="list-style-type: none"> <li>a) increased level of local citizens satisfaction with improved public services</li> <li>b) increased control over management of local resources</li> <li>c) increased quality public services</li> <li>d) improved financial situation</li> <li>e) increased own revenue of local governments</li> <li>a) improved management of local resources.</li> </ul>		
6) Change in effectiveness of management of resources and of services is difficult to assess at this stage of activities' implementation, and it depends in general on availability of skilled personnel, pro-active position of local community, and enabling political environment.	3) Effective management of resources and services delivery at local level depends on presence of: <ul style="list-style-type: none"> <li>a) Political will, at central and regional levels, including goodwill of rayon-level officials to support CTCs</li> <li>b) Local "agent(s) of change"</li> <li>c) Local capacities to manage resources and services.</li> </ul>	2) USAID should further support municipal capacity development. Further support of local government capacity development is needed to enable municipalities to effectively manage available resources and provide quality services. Within the LGP framework, it is advisable to identify the most effective types of support for the integration of assisted CTCs and tools for their development (taking into consideration CTC size and their specific needs), scale that assistance for all currently assisted communities, and share them with other communities.  <i>Also relevant to EQ5 recommendations</i>
7) CTCs' often lack qualified personnel at local level to be able to effectively manage available resources and provide needed services were transferred to CTCs under decentralization reform;	4) Further development of legal base needed for next phases of reform that includes: <ul style="list-style-type: none"> <li>a) completion of communities' amalgamation</li> <li>b) the changes in the administrative-territorial system</li> <li>c) formulation of roles and responsibilities of authorities at different levels</li> <li>d) possibly, further amendments to Constitution.</li> </ul>	

<p>8) As of now, CTCs use available local and rayon specialists and build their capacity through opportunity provided by state and international technical assistance programs.</p>		
<p>9) Accessibility and quality of services differs from community to community and depends on sectors as follows:</p> <ul style="list-style-type: none"> <li>a) <i>Education</i> – overwhelmingly improved: CTCs reported increase of quality and accessibility of education services and infrastructure;</li> <li>b) <i>Administrative services</i> – quality and accessibility overwhelmingly improved: especially with establishment of CNAPs in visited CTCs</li> <li>c) <i>Medical services</i> – mixed results; lack of professional personnel in some CTCs and high turnover in others. Often, there is a disagreement regarding contribution of the CTCs to the maintenance and operational expenses of medical facilities shared with other communities/ municipalities</li> <li>d) <i>Social protection services</i> - quality and accessibility for vulnerable population overall has improved, but in some cases remains the same. There are examples when CTCs continuing engage rayon-level infrastructure and services, as it is more effective</li> <li>e) <i>Sports and physical culture</i> – overall, services clearly improved as of new infrastructure and CTCs attention to youth</li> <li>f) <i>Culture, including libraries</i> – mixed, depending on hromadas' priorities.</li> <li>g) <i>Communal services</i> – overall, quality of communal services improved (in line with local priorities) for example, waste management; public space lightening, landscaping of public areas, etc. Some communities organized lifeguards, firefighters, and introduced civic neighborhood watch.</li> <li>h) <i>Roads</i> - are still a big issue because communities do not always have ownership right over the road and legally cannot spend funds on their maintenance. Meanwhile, there are a lot of examples of improved condition of local roads within CTC borders.</li> </ul>	<p>5) In general, access to and quality of public services increased, but results are mixed and vary from one sector to the other. They depend on the priority given to ongoing state reforms (education, health care, etc.) and on donors' focus.</p>	<p>3) USAID should assist local civil society. In order to strengthen contribution to the development hypothesis implementation, it is recommended that USAID provides more technical assistance to civil society development at the CTC level focusing on "local drivers of change" and capacity-building of civil society actors to deliver demand-driven community services and provide local governance oversight.</p> <p><i>Also relevant to EQ5 recommendations</i></p>
<p>10) CTCs report that citizens' engagement in local governance has increased as a result of decentralization reform.</p>	<p>6) Although citizen engagement in local governance increased as result of application of various democratic procedures and tools, there is lack of citizen oversight</p>	

	due to the absence of required knowledge and skills for such activity.	
11) CTC officials say they want more active community members, but they do understand that the degree of citizens' engagement depends on readiness of local community to be part of local resources management process, community members' pro-active position, and overall community consolidation.		
12) There is no evidence of systematic citizens' <b>oversight</b> of the local governance activities, as CTCs stakeholders acknowledge a lack of citizens' knowledge and skills in this area and very few capable formal and informal leaders and CSOs.		
13) Local authorities claim that their <b>transparency</b> has increased as a result of additional requirements obtained/ enforced in course of: <ul style="list-style-type: none"> <li>a) local governance reform</li> <li>b) new regulatory requirements</li> <li>c) increased engagement of local communities</li> <li>d) adoption and application of various tools (public hearing, e-petitions, Facebook groups, etc.), based on best international practice and targeting enhancement of transparency and accountability of local authorities.</li> </ul>	7) While CTC officials claim they have increased transparency, additional evidence is needed to draw any conclusions, including whether increased transparency is perceived by the citizens at the local level.	
14) There is no strong evidence that increased transparency of local governance is perceived by the citizens at local level.		

Preliminary Findings	Preliminary Conclusions	Preliminary Recommendations
<b>EQ2: To what extent did USAID assistance advance the project purpose of strengthening local governance?</b>		
<p>1) The different activities under LGP (DOBRE PULSE, MFS-II) contributed to the strengthening of local governance varies, according to the KIIs, mini-survey, and document review.</p> <ul style="list-style-type: none"> <li>a) Overall, 85% of KIs who completed follow-up questionnaire reported that LGP and its activities responded to the needs of the decentralization policy.</li> <li>b) Only 65% of those, however, reported that LGP activities helped to increase local government autonomy.</li> <li>c) 100% of all KIs who completed follow-up questionnaire (n=20) reported that LGP supported effective management of local resources, improved quality of public services, and increasing transparency of local government.</li> </ul>	<p>1) Overall assistance advanced the project purpose to strengthen local governance.</p>	
<p>2) More than 2/3 of respondents underlined flexibility and adaptability of LGP activities to evolving needs.</p>		
<p>3) Types of LGP interventions differ by their effectiveness. Among the most effective, according to the surveyed respondents are:</p> <ul style="list-style-type: none"> <li>• study tours</li> <li>• training</li> <li>• knowledge sharing events</li> </ul> <p>Comparatively less effective:</p> <ul style="list-style-type: none"> <li>• preparation of the relevant legislative framework</li> <li>• decentralization policy development</li> </ul> <p>Grants and direct financial support are moderately effective.</p>		
<p>4) DOBRE objectives were met, according to KIs. Leaders and citizens of communities assisted by DOBRE reported positive changes in their attitudes toward self-governance, according to a mini-survey and interviews:</p> <ul style="list-style-type: none"> <li>a) DOBRE provided systematic, local, needs-based, continuous support to 75 communities in 7 oblasts, with an overall purpose to assist local authorities and communities in adoption of effective tools for strategic</li> </ul>	<p>2) DOBRE results are tangible and recognizable. The most obvious contribution of DOBRE to strengthening local governance because of its direct work with CTCs.</p> <p>3) DOBRE contributes to the decentralization reform's implementation at the level of CTCs</p> <p>4) DOBRE is on a way to achieving the anticipated contribution to strengthening local governance and</p>	<p>1) USAID should expand access to DOBRE by: expand best practices by non-participating municipalities through mechanisms such as a public database, helpline, and placing documents on its website. It should expand the DOBRE scope to convert DOBRE experiences and findings into policies and methods that can be adopted at the national level. USAID should also</p>

<p>planning and management of local resources, according to KILs and annual reports.</p> <p>b) KILs reported increased citizen engagement into local governance process.</p> <p>c) All KILs reported enhancement of the local governance system, which is transparent, participatory, and accountable to citizens.</p> <p>d) KILs reported increased participation of citizens in community assessment; strategic planning; support to inclusive, transparent, accountable governance; and direct support to identification and implementation of development initiatives at the CTC level.</p>	<p>reaching expected results because of its systematic and consistent work directly with CTCs.</p>	<p>support exchanges between DOBRE and non-DOBRE CTCs.</p>
<p>5) DOBRE approach and scale of intervention are adequate to the anticipated outcomes.</p>		
<p>6) DOBRE activity is manageable and large enough to initiate change in regions of the country not assisted directly, by producing and sharing good practices and success stories that could be reproduced.</p>		
<p>7) Central and regional authorities said PULSE played an important role in ensuring that decentralization legislation reflects local government input.</p>	<p>5) PULSE's contribution to the local economic development and increase of local government resources, another expected result, is limited.</p> <p>6) PULSE supported amalgamation process through contribution to legal/regulatory base development but the process is incomplete due to political reasons.</p>	<p>2) USAID should refine the focus of PULSE. USAID should design the next stage of PULSE in line with its original goals to focus on:</p> <ul style="list-style-type: none"> <li>a) Building the capacity of LGP beneficiaries, especially for rural CTCs, for new responsibilities;</li> <li>b) Support to local economic development and expansion of local governments' own sources of revenue, helping ensure local governmental fiscal autonomy; and,</li> <li>c) Strategic approach to decentralization and local governance strengthening under conditions of internal political instability and unclear perspectives of reform, specifically on elaboration and adoption of a decentralized administrative and territorial reform model (and relevant legal/regulatory amendments), with balanced Ukrainian and international expertise.</li> </ul>



		Because AUC is perceived as representing the interests of cities over rural communities, USAID should balance its reliance on AUC as the PULSE implementer with wider Ukrainian and international expertise as well as coordination with USAID development priorities.
8) The desk review and KIs with CTC officials, however, found little evidence of this. For example, small CTCs have criticized a law supported by AUC that allows cities to become CTCs by joining small nearby satellite communities.	7) Evidence that PULSE reached expected results was insufficient, according to documents and according to KIs.	
9) AUC is highly visible at the national level and plays an important role in development and adoption of legal/regulatory base supporting strengthening of decentralization and local governance.		
10) AUC efforts are appreciated by central authorities – VRU, CM, MRD (e.g., contribution to methodology development, legislation drafting and amendment.  For example, Law on Inclusion of Neighboring Communities into Oblast Cities, lobbying of interests of municipalities).		
11) The scope of the assistance to communities at sub-national level is not clearly identified by PULSE. Often it is difficult to understand whether specific intervention (information sharing event, training) is AUC initiative or comes from the portfolio of initiatives funded by USAID (all such events are conducted under USAID logo).		
12) In some cases, the attribution of results to specific activities or donors is complicated (for instance, both PULSE and ULEAD claim they contributed to consolidation of 299 communities in 2016, according to annual reports).		
13) Objectives of MFSI-II were reached, according to a small number of KIs; however, little evidence of widespread impact and sustainability was found.  Limited evidence was found of contribution to the strengthening of local governance. Understanding of contribution of MFSI II is mixed at the local level; some beneficiaries lack institutional memory about MFSI-II.	8) MFSI-II has contributed to development of national regulations, working directly with MoF, and also helped to introduce tools for municipal budget management at the sub-national level (which are used by some of the visited communities).  9) LGP activities focused on specific technical issues and dependent on existing norms and regulations (for	

<p>a) MSFI-II analytical and consulting services provided to the MoF made an important contribution to the development of national regulations for managing municipal finances, according to mini-survey and KIs.</p> <p>b) At the subnational level, the ET identified limited institutional memory about assistance provided by MSFI-II. Participatory budgeting tool was an exception, which was used in 82 cities across Ukraine, including visited municipalities/ communities: Mykolaiv city, CTC in Ivano-Frankivska oblast and in Bashtanska CTC (Mykolaiv oblast, where platform introduced by MSFI-II is currently financed and used by DOBRE).</p>	<p>instance, energy efficient budgeting tools in the scope of MSFI-II) have no lasting effect in the rapidly changing legal/regulatory environment and need not be supported further.</p>	
<p>14) Other donors/donor-funded projects operate side by side with LGP in the area of decentralization; the most recognizable among them are U-LEAD, DESPRO, UNDP.</p>	<p>10) Coordination of decentralization efforts among donors is limited at the operational level.</p>	<p>3) USAID should continue proactively coordinating donors, specifically focusing on U-LEAD's ongoing activities. Suggestions include sharing evaluation and performance reports among donors, especially U-LEAD and USAID, and more focused in-person donor meetings.</p>
<p>15) LG stakeholders perceive coordination among donors in the area of decentralization as limited.</p>		
<p>16) Donors have established a Donor Coordination Board to provide a framework for support to decentralization and local governance reform. The Donor Coordination Board holds regular meetings and has an approved Common Results Framework and 10 working groups focused on specific issues.</p>		
<p>17) However, on the operational side of projects' implementation, there are numerous examples of activities still overlapping, mostly between DOBRE (and to a lesser degree, PULSE) and U-LEAD.</p>		
<p>18) Assisted communities' attitudes to this overlapping varies, according to KIs. Some KIs do not see any issues with information training and training provided for the same communities on the same topic by various donor-funded projects; others, especially in small non-city CTCs, feel confused and tired from too many trainings offered to their members.</p>		
<p>19) Gender imbalance, not in terms of equality of gender representation in the local governments, but in terms of</p>	<p>11) Despite positive changes launched by LG, an overall understanding of the gender approach to governance is still lacking in the vast majority of communities.</p>	<p>4) USAID/Ukraine should increase support for women and social inclusion. USAID should</p>

<p>widespread of patriarchic perceptions about roles of females persists in many CTCs.</p>	<p>12) Women-leaders at CTC level are concentrated at the middle management level, which points out to the continued existence of a glass ceiling in Ukrainian society due to persistent gender stereotypes and rigid cultural norms, and women face more barriers than men in access to and control over the resources</p> <p>13) Social inclusion is still a relatively new approach, which may be considered for further support and promotion at all level of local governance.</p>	<p>expand the Women's Leadership Academy to train citizens at all levels of CTCs.</p>
<p>20) LGP attempted to address this issue. Among the most helpful tools offered by LGP in enhancing gender balance the surveyed respondents marked gender oriented budgeting (39% respondents consider this tool as the most helpful with average score 3.89 by 5-point scale), participatory planning (29% and 3.88, respectively), and participatory budgeting (35% and 3.82, respectively).</p> <ul style="list-style-type: none"> <li>a) Almost all CTCs that participate in DOBRE, reported the use of gender-sensitive budgeting.</li> <li>b) Issues of social/gender inclusion are better understood in the LGP assisted communities, in some of them, development priorities were aligned with consideration of special needs of certain groups of community members. However, this approach is not fully accepted even in communities from DOBRE cohorts 2 and 3, not mentioning communities outside LGP scope. More than 94% of all KIIs who completed follow-up questionnaire reported improvement in terms of ensuring gender balance and inclusivity.</li> <li>c) The overall understanding of the gender-sensitive budgeting was present in some CTCs that received strong training. However, by large, an overall understanding of the gender approach to governance is still lacking in the vast majority of communities.</li> </ul>	<p>14) Introduction of Gender Sensitive Analysis and planning has contributed to a bigger consideration of specific needs of vulnerable social and demographic groups by local authorities and communities assisted by DOBRE.</p> <p>15) DOBRE clearly contributed to this understanding by providing targeted, focused trainings to CTCs on gender sensitive budgeting, according to all DOBRE CTCs, local and regional authorities, and DOBRE annual reports.</p> <p>16) "Approximation" of local authorities and local citizens supported by LGP resulted in mainstreaming of gender balance and social inclusiveness issues into community planning and provision of public services.</p>	
<p>21) DOBRE partner NDI promotes gender-sensitive planning tools and conducts Women's Leadership Academy training cycles around the country, supported with grants to high-achieving Academy participants to engage on gender issues within their own communities and to support formation of gender-focused caucuses in the local councils.</p>	<p>17) Women's Leadership Academy helps women to realize their power as citizens and decision makers. It stood out as the most visible tool that helps women to realize their power as citizens and decision-makers.</p>	

Preliminary Findings	Preliminary Conclusions	Preliminary Recommendations
<b>EQ3: To what extent did USAID assistance contribute to the implementation of local government reforms that consolidated communities?</b>		
<p>1) LGP contributed to the implementation of local government reforms that facilitated communities' consolidation by:</p> <ul style="list-style-type: none"> <li>a) developing legislation and advocating for improved policy (sources: interviewed representatives of CMU, MRD, city CTCs and experts; PULSE annual report: 154 officials of local governments reported about the improvement of legislative basis),</li> <li>b) generating "demonstrative effect" (examples: PULSE replication visits and press tours; DOBRE conferences and forums, joint initiative with U-LEAD to conduct regional forums of non-amalgamated communities; peer-to-peer study tours in DOBRE communities; collected and shared community success stories),</li> <li>c) sharing information among wide range of stakeholders and beneficiaries (examples: PULSE supported 368 information events on decentralization and citizen engagement in CTCs and communities in the process of consolidation; TV show "Hromada for a Million" (DOBRE); information sessions, posted information in media)</li> </ul>	<p>1) LGP provided needed support to local government reform in the process of communities' consolidation by:</p> <ul style="list-style-type: none"> <li>• creation of a legal basis for consolidation and support in regulatory amendments;</li> <li>• providing technical advice for central, regional and local authorities on decentralization practice,</li> <li>• introducing practical models and tools at the CTC level to generate "demonstration effect" to be used for the further strengthening of decentralization reform across the country.</li> </ul>	<p>1) Further support to local governance reform through LGP is recommended. Depending on political will there are two scenarios:</p> <ul style="list-style-type: none"> <li>a) Provided that there is political will and adoption of basic legislation for the second stage of decentralization reform, PULSE should focus on: <ul style="list-style-type: none"> <li>i. drafting legislation for mandatory consolidation of local communities,</li> <li>ii. new administrative territorial arrangement</li> <li>iii. reform of sub-regional level (rayons)</li> <li>iv. creation of a new territorial base for local elections in 2020</li> <li>v. mapping the boundaries of territories (CTCs and rayons).</li> </ul> </li> <li>b) Absent political will, PULSE might: <ul style="list-style-type: none"> <li>i. continue supporting the consolidation of local communities to maximize coverage of the territory of Ukraine by CTCs</li> <li>ii. Provide newly established CTCs with needed technical support.</li> </ul> </li> </ul> <p><i>Also relevant to EQ5 recommendations</i></p>
<p>2) Before LGP, USAID contributed to the establishment of the first 159 CTCs in 2015 through the DIALOGUE activity (source: MRD and AUC interviews)</p>		
<p>3) With regard to CTCs established since 2016, there is no clear evidence as to which were a result of LGP assistance vs. government efforts and other donor assistance</p>	<p>2) Since 2016 the creation of CTCs is a joint result of various donor programs that work in the field of decentralization (including LGP) and national stakeholders (central, regional and local authorities). It is not possible to attribute consolidation of local communities since 2016 to a particular stakeholder or activity.</p>	

4) PULSE support contributed to the establishment of 24 CTCs in center cities of oblast significance (source: MRD and AUC interviews)		
<p>5) The consolidation of local communities is still ongoing and is far from complete (source: interviewed representatives of central government, local authorities and experts):</p> <ul style="list-style-type: none"> <li>a) there is no clear distribution of powers between rayon authorities and the CTCs,</li> <li>b) rayon authorities in many cases oppose decentralization reforms because consolidation of communities reduces their power</li> <li>c) duplication of administrative structures in rayons and CTCs leads to inefficiency of public expenditure</li> <li>d) Cooperation between rayon and CTC authorities is sometimes due to their personal relationships, not a clear distribution of responsibilities If amalgamation remains voluntary, it will be a drawn-out, chaotic and inefficient process</li> </ul> <p>Mandatory amalgamation may be necessary in the second stage of decentralization reform.</p>	<p>3) Because consolidation of local communities is currently voluntary, there is uncertainty whether decentralization will be completed and issues in distribution of power between sub-regional authorities and CTCs.</p> <p>4) Some services that cut across several CTCs need to be shifted upward to reformed rayon authorities; for example, the maintenance of polyclinics, hospitals, maternity homes, social service centers, emergency response services etc.</p>	<p>2) USAID should support new decentralization legislation. In the implementation of the second stage of decentralization reform, LGP should consider supporting a new legislative basis for local governance strengthening, including financial decentralization and tax revenue distribution among different levels of governance, and elaboration of a common approach to harmonizing sectoral and decentralization reforms with contributions from both LGP activities in coordination with other donors and implementers, notably U-LEAD.</p> <p>3) USAID should support cooperation between municipalities. More active support for inter-municipal cooperation between neighboring communities is recommended as an important tool of decentralization strengthening and contribution to sustainability of decentralization reform.</p>
6) LGP contributed to integration of assisted CTCs by building cohesion within communities, ensuring inclusion of women, elderly, youth, people with disabilities, minorities, and IDPs in community development (sources: DOBRE strategic planning activities, citizen survey etc., PULSE's IREX component).	5) Along with the formal creation of the CTC, integration of the local citizens from amalgamated settlements into a single community is crucial factor for local governance reform.	
7) Few evidences of sustainability of efforts in increasing CTCs' own budget revenues were identified. Although the budget funds under control of CTCs have increased as a result of decentralization, there is little evidence of an increase of local budget revenues resulting from local economic activities. The exception is when a CTC benefits from enterprises located on its territory that pay local taxes after establishment of new administrative borders.	<p>6) Requiring payment of local taxes based on an enterprise's location has led to increased competition between communities</p> <ul style="list-style-type: none"> <li>a) positive changes include improvement in the efficiency of local authorities and creation of a favorable business climate</li> <li>b) negative consequences include redistribution of tax revenues between neighboring communities and the need in some cases for one CTC to fund public services for residents of neighboring CTCs</li> </ul>	
8) CTCs report budget shortfalls due to increased spending on delegated services that has not been matched by increased		

state revenues (source: interviews with at least 3 CTCs that reported negative balance sheets as a result).		
9) DOBRE provides grants for implementation of community projects and a unified set of technical assistance tools for capacity building of local authorities in selected CTCs needed for identification of local development priorities; local development planning, including allocation of available budget resources; management of various aspects of local community life and public services provision to local citizens.		
<p>10) LGP provides technical assistance and grants for capacity building of regional and local CSOs as well as informal initiative groups:</p> <ul style="list-style-type: none"> <li>• 104 local CSOs or informal initiative groups were assessed using Appreciative Review of Capacity methodology (DOBRE)</li> <li>• 58 small grants in PULSE</li> <li>• 43 projects in DOBRE.</li> </ul>	<p>7) LGP contributed to the positive results of local governance reform in assisted communities.</p> <p>8) A well-balanced application of various and mutually complementary types of technical assistance is a strong feature of LGP, contributing to sustainability of results.</p> <p>9) Working directly with CSOs and informal initiative groups is a crucial factor for strengthening of local democracy, community mobilization and ensuring irreversibility of changes at CTC level.</p>	
11) LGP contributed to increasing capacity of regional CSOs for sub-grants, project evaluation and selection, applicant's capacity assessment, and procurement. Seven regional CSOs (in DOBRE oblasts) administer sub-grant programs for local CSOs (43 projects)		
12) IBSEER, which was very active under MSFI-II activity, and is considered as a very helpful analytical and consulting center by the MoF, has disintegrated when USAID support was ended, and IBSEER leading experts work for other donor-funded initiatives in the area of decentralization/financial decentralization, including U-LEAD.	10) There is a high probability that the changes initiated by LGP will be sustainable; however, MFSI-II initiative have no lasting effect, with the exception of contribution to the revision of Ukrainian legal base and introducing e-platform for participatory budgeting.	
13) According to the KIs at the CTC level, LGP results in promoting gender equality and social inclusiveness issues into community planning and provision of public services have strong probability of being sustainable.	11) Highest possibility of sustainability of support to the gender balance and social inclusiveness is achieved in the communities with a biggest "approximation" of local authorities and local citizens (participatory planning and budgeting), and in CTCs where gender-oriented budgeting was adopted.	
14) All 9 interviewed representatives of central authorities expressed concerns that decentralization reform could be	12) Decentralization reform is still not completed, now there is the "point of return" from where it could be	

reversed. The representatives of local authorities assisted by LGP believe that the changes in local governance system are irreversible, as they proved to be effective in contributing to the well-being of community members.	move forward or revert back to a centralized system of governance.	
15) In opinion of the surveyed respondents among the likely irreversible decentralization reform results are increased citizens engagement (4.05 average score by 5-point scale) and state decentralization policy (3.80); while more at-risk results include increased gender balance and inclusiveness (3.33), legislative framework and fiscal decentralization (both 3.35).	13) Citizen engagement is the most crucial factor for ensuring irreversibility of decentralization reform results at the local level, which could decrease the reliance on the goodwill of top politicians and/or CTC heads to improve public services, better manage resources, and involve the public in decision-making.	
<p>16) In opinion of the surveyed respondents among the likely sustainable decentralization reform's results are:</p> <ul style="list-style-type: none"> <li>a) accessibility of public services (4.15 average score by 5-point scale)</li> <li>b) quality public services (4.10)</li> <li>c) increased citizen engagement (3.81)</li> </ul> <p>Less sustainable results include:</p> <ul style="list-style-type: none"> <li>a) increased local government fiscal autonomy (3.35)</li> <li>b) local government management of resources (3.50)</li> <li>c) increased gender sensitivity and inclusiveness (3.52), and</li> <li>d) Increased local government political autonomy (3.55).</li> </ul>	<p>14) There are several factors contributing to sustainability of LGP results at CTC level:</p> <ul style="list-style-type: none"> <li>a) participatory approach to strategic planning and developing local programs</li> <li>b) ensuring local ownership by co-financing of "hard" projects</li> <li>c) engaging youth in decision-making</li> <li>d) developing project management capacity.</li> </ul>	4) USAID should revise LGP sustainability and risk analyses. Amid changes to governmental development priorities that may accompany the presidential transition and upcoming parliamentary elections, a revision of LGP's Sustainability Analysis is recommended. This should include development of a sustainability strategy for LGP's remaining years, a re-focusing of project activities on greater citizen engagement (at the CTC level), and coordinating local government associations to provide a unified voice in relations with central authorities. LGP's risk analysis should also be revised to update mitigation strategies for any newly identified risks.
<p>17) Survey respondents cited the most visible risks to decentralization: Political risk at the national-level (4.09 on 5-point scale), and at the regional-level (3.50).</p> <p>The newly elected President did not expressly speak about decentralization reform, his position on this issue is not clear: Economic risks at the local level (3.43).</p>	15) The greatest risk for decentralization reform relates to political uncertainty as the result of Presidential election and upcoming Parliamentary election campaign.	
18) The perception of risks to decentralization differs depending on the level of authority: political risk to decentralization reform is widely accepted at the national level (according to the survey results is 4.10 by a 5-point scale, where 1 – risks not likely at all, 5 – extremely likely), while at the regional and local levels the occurrence of economic, political, and social risks does not differ dramatically.		

<p>19) Both PULSE and DOBRE contribute to information dissemination through national, regional, and local channels through the use of traditional and social media.</p>	<p>16) Sustainability of LGP results is also supported by rather effective communication campaign, which targets varied audience nationally and locally, and use various communication channel. However, this strategy communication campaign may be further improved and strengthened.</p>	<p>5) USAID should disseminate information about decentralization reform. LGP should intensify the dissemination of information about the success of the decentralization reform and communities' practical achievements in this regard. This could include supporting study tours to successfully decentralized communities in Ukraine and abroad, and identifying a base of successful communities among the assisted CTCs to host internships for representatives of other communities, including those not covered by LGP. LGP should focus on activities for scaling up and disseminating good practices and models acquired during LGP implementation, including the creation of an LGP "Good Practices" and "How to..." platform (possibly with the involvement of SBO).</p>
<p>20) Five respondents from the media expert and implementer staff groups described the activities' information campaigns as uncoordinated.</p>		



Preliminary Findings	Preliminary Conclusions	Preliminary Recommendations
<b>EQ4: How did the DOBRE and PULSE activities collaborate to achieve project sub-purpose 2: Local governments effectively manage resources and services that respond to community priorities?</b>		
1) PAD LGP document underlines that the “Local Governance Project incorporates <i>three separate procurement mechanisms</i> (called activities) to support three components that correspond to each of the Project’s sub-purposes.”	1) LGP design contains provisions that contribute to overlap of PULSE and DOBRE local capacity-building activities.	1) LGP should consider establishment of effective Project’s internal coordination mechanism (in line with the LGP initial design in the PAD) with a special focus on: <ul style="list-style-type: none"> <li>a) Capacity building (including use of the Prometheus platform for distance learning - <a href="http://www.prometheus.org.ua">www.prometheus.org.ua</a>)</li> <li>b) Communication strategy amendment and implementation</li> <li>c) Formulation of policies to be promoted at the national level.</li> </ul> LGP activities should agree on and introduce more structured formats for collaboration, with systematic exchange of information and coordination of interventions among them.
2) Policy for Ukraine Local Self-Government (PULSE) is supposed to be focused on Component I: establishment of sound decentralization framework.		
3) Side by side with work on Component I, PULSE also involved into LGP Components 2 (Local governments effectively manage resources and services that respond to community priorities) and 3 (Citizens oversee and engage in decentralization reform implementation).		
4) Component 2 was supposed to be implemented through one existing activity in 2015 (MSFI-II) and one new activity (Decentralization Delivering Results for Ukraine – DDRU – currently DOBRE).		
5) Component 3: Citizens oversee and engage in decentralization reform implementation, should be implemented by DDRU (DOBRE), working in partnership with both Ukrainian and regional organizations.		
6) At the same time, side by side with contribution to legislation and policies development, PULSE was supposed to strengthening capacity of stakeholders.		

7) DOBRE was anticipated to contribute to Component I under Illustrative Intervention 2.2d.		
8) Both PULSE and DOBRE work in the areas foreseen by LGP Components 2 and 3, including capacity building, citizen awareness and inclusion, and public communication.	<p>2) PULSE collects feedback and issues from AUC members and assists CTCs in technical issues related to application of decentralization laws and regulations. DOBRE already collected examples of good practices from assisted CTCs. These could be turned into decentralization policies, in cooperation with PULSE.</p> <p>3) Both activities have strong public communication components, which do not cooperate to achieve Sub-purpose 2.</p>	
9) DOBRE collected good practices and elaborated specific methodologies and tools, which may be turned into policies to be adopted at the national level.		
10) Close cooperation between PULSE and Component 2 implementer (DOBRE) in addressing capacity building needs was required by the LGP design. DDRU (DOBRE) was supposed to “implement components 2 and 3 and also play a coordination role among USAID implementing partners working on decentralization and local governance”. DDRU implementer was required to closely collaborate with the PULSE implementer to ensure a coordinated approach.	4) Internal coordination between PULSE and DOBRE was envisioned by the LGP design and the activities’ project documents.	
11) ET has found no evidence of close cooperation between PULSE and DOBRE on achieving project sub-purpose 2. In 2016 DOBRE approached PULSE regarding coordination, but the coordination did not go beyond joint participation in some information sharing events.	<p>5) DOBRE and PULSE could cooperate to achieve sub-purpose 2:</p> <ul style="list-style-type: none"> <li>a) Capacity building of local authorities (coordination of capacity building approaches, methods and tools to be introduced, training materials, etc.)</li> <li>b) Formalization of practices, methods, tools proved at 75 CTCs by DOBRE and formulation of national policies</li> <li>c) Dissemination of good practices and success stories through a well-coordinated public information strategy.</li> </ul>	
12) Both PULSE and DOBRE contributed to information dissemination through national, regional and local channels, with traditional and social media. The information campaigns are not coordinated and often overlap.		
13) Little evidence of ongoing coordination were identified in other areas; for example, participation of AUC in the associations' capacity strengthening training provided by DOBRE on in April in Kyiv.		

Preliminary Findings	Preliminary Conclusions	Preliminary Recommendations
<b>EQ5: To what extent are the types of USAID assistance described in the LGP scope no longer needed in Ukraine?</b>		
1) Progress in the area covered by LGP Component I, “Sound decentralization framework adopted and implemented,” is not sufficient to fully support the decentralization reform, according to all KIs with authorities at the national, regional, rayon levels, as well as all external experts, and 80% of CTC authorities.	1) Additional support in development and adoption of Phase II of the national strategy of decentralization is needed, with a clear design of the decentralized administrative and territorial system to be introduced (including structure, roles and responsibilities, reporting lines, etc.)	1) In coordination with LGP activities and other donors, USAID support should focus on: <ul style="list-style-type: none"> <li>a) National strategy of decentralization and related legal and regulatory framework;</li> <li>b) Support for fiscal decentralization;</li> <li>c) Standardized methods of analysis and approach to organizational change supporting decentralization reform and local governance strengthening;</li> <li>d) Local economic development to ensure sustainability of decentralization;</li> <li>e) Capacity building, with a special focus on local/CTC level;</li> <li>f) Citizen engagement, transparency, and accountability of local governments;</li> <li>g) Strategic communication plan for engaging citizens in two-way communication.</li> </ul>
2) Slow progress in further development of a solid framework for decentralization is caused by political and administrative resistance at national (channeled mostly through VRU), regional (both legislative and executive branches of power) and rayon levels, according to revised analytical reports, activities reports, and KIs at all level of governance.	2) Because decentralization reform is not complete, all the types of assistance in the Project scope are needed. However, the set of LGP interventions and their implementation modalities may need to be revised and amended to take into consideration: <ul style="list-style-type: none"> <li>a) the unclear future of decentralization reform in Ukraine;</li> <li>b) limited LGP capacities in lobbying decentralization agenda at the national level (especially at the VRU);</li> <li>c) lack of common vision of decentralization model to be promoted;</li> <li>d) presence of such potentially powerful actor as U-LEAD,</li> <li>e) on-going contribution of LGP activities to the success of decentralization reform</li> </ul>	2) USAID should support harmonization of reforms. Methodological support for harmonization of sectoral and decentralization reforms is recommended, with contributions from both LGP activities and alongside other donors and implementers, primarily U-LEAD. If the developed approach meets USAID/Ukraine expectations and standards, ongoing support for harmonization could be left to U-LEAD, with no further disbursement of USAID resources.
3) Local governments continue to provide input into the development of national decentralization policy by:		

<ul style="list-style-type: none"> <li>a) addressing directly VRU, Cabinet of Ministers, Ministry of Regional Development;</li> <li>b) channeling input through the AUC/PULSE national network and Association of CTCs</li> </ul>		
<p>4) Officials of smaller, rural CTCs frequently said their interests are not always considered in the amendments to decentralization laws and regulations, despite opportunities to address certain issues in local governance practice directly and through associations and to suggest them for consideration at decentralization policy level.</p>	<p>3) LGP works with 2 national associations: AUC and ACTCs. AUC operates as a PULSE implementer and has a leading role within the LGP framework in formulating and lobbying decentralization policies and related amendments in legal base. The latter cooperates mostly with DOBRE, but its political influence at the national level is limited.</p> <p>4) The practice of supporting one of the national associations in taking a lead in elaborating and adopting administrative and territorial reform through legislation, regulations and policies development contains a risk of bias.</p> <p>5) At the national level, LGP is represented almost exclusively by PULSE, and PULSE often cannot be separated from AUC. The PULSE implementer is an association that has its own goals and interests. Some CTCs and experts believe AUC acts in the interests of the cities, not rural CTCs. Other national associations, including ACTCs, are underrepresented at national and sub-national levels.</p>	
<p>5) KIs in CTCs expressed concern regarding:</p> <ul style="list-style-type: none"> <li>a) mandatory inclusion into bigger neighboring municipalities (“cities need our land for expansion, not our citizens”);</li> <li>b) mandatory amalgamation with neighboring CTCs;</li> <li>c) lack of support at the national level in land allocation and CTC borders demarcation issues;</li> <li>d) Unclear relations with rayon administrations</li> <li>e) lack of support in harmonization of decentralization with sectoral reform (health, social protection, culture, etc.).</li> </ul>	<p>6) Decentralization models promoted by PULSE/AUC are not fully supported by experts and CTCs, which see threats to the interests of small communities.</p>	
<p>6) Often CTCs have membership in two national associations – AUC and ACTCs.</p> <ul style="list-style-type: none"> <li>a) The former is considered by KIs in the CTC authorities as more influential (although oriented more to the interests of the majority of its members – cities and towns, not villages)</li> </ul>		

b) ACTCs acts in interests of CTCs but does not yet have sufficient political weight.		
<p>7) DOBRE has developed:</p> <ul style="list-style-type: none"> <li>a) assessment methodologies and practical tools adapted to local conditions</li> <li>b) best practices for implementation standards for public services,</li> </ul> <p>These could be summarized and aggregated into national policies to work directly with CTCs on a broad set of community development practices.</p>		
<p>8) National and sub-national authorities face various issues related with the incomplete legal/regulatory framework of decentralization. Most frequently mentioned by KIs are the following:</p> <ul style="list-style-type: none"> <li>a) Incomplete decentralization reform, resulting in the de facto co-existence of the old, centralized administrative-territorial system (central authority-oblast-rayon) and the new, decentralized model (with increased responsibilities of local authorities at CTC level);</li> <li>b) Unclear roles and responsibilities of authorities at different level (especially current and future functions of rayons);</li> <li>c) Lack of common understanding among Ukrainian political and administrative institutions at various levels of approaches to further amalgamation (voluntary vs. mandatory, inclusion of rural CTCs into urban municipalities, "ideal size of CTC to be sustainable", etc.);</li> <li>d) Land and boundary issues;</li> <li>e) Issues with control over assets located on the CTC territory (health institutions, roads, cultural monuments, etc.);</li> <li>f) Lack of understanding at CTC level of their rights managing their own sources of revenue, including establishing local taxes and duties;</li> <li>g) Need to harmonize decentralization and sectoral reforms (such as reorganization of health system, social protection, education, culture, etc.).</li> </ul>		

<p>9) Work under LGP Component 2: “Local government effectively manage resources and services that respond to community priorities” is not completed, according to KIs at national and sub-national levels, including the vast majority of CTCs. Despite positive changes, additional assistance is needed in strengthening skills in resources management and public services provision:</p> <ul style="list-style-type: none"> <li>a) Support at the CTC level to fiscal decentralization, as in a course of decentralization reform, the growing number of CTCs must prepare their budgets based on PPB</li> <li>b) Institutional capacities and skills strengthening of local governments at various levels (especially in recently created CTCs); enabling them to deal with new roles and responsibilities obtained as a result of decentralization reform</li> <li>c) Insufficient tax base for CTCs to generate revenues and lack of local development initiatives to support sustainable development</li> </ul>	<p>7) CTCs expect assistance in elaboration and introduction of models and tools to:</p> <ul style="list-style-type: none"> <li>a) expand local economic base</li> <li>b) unlock local potential</li> <li>c) use local resources more effectively</li> <li>d) increase investment attractiveness of specific communities</li> <li>e) Establish communication with potential investors and attract investments</li> <li>f) Strengthen business skills in the communities</li> <li>g) Provide support to local SME</li> </ul>	<p>3) USAID should strengthen local economic development support. Within the LGP framework, it is recommended that greater attention be paid to local economic development, including expanding CTCs’ own sources of revenues, identifying and presenting local opportunities, formulating investment passports, improving communication with potential investors, and supporting SMEs and the development of business skills, including those youth, women, and vulnerable groups.</p>
<p>10) Interventions under LGP Component 3, “Citizens oversee and engage in decentralization reform implementation,” contributed to the improved engagement of communities into local governance, as shown in the findings for EQ3.</p>		
<p>11) Targeted work with local youth and community activists on increased engagement into local governance was effective in DOBRE-assisted communities; establishment of Youth Councils and formalized inclusion of activists into planning and management of local development initiatives contributed to increased inclusion and transparency. Youth interests go beyond improvement of local social and transport infrastructure and to include local economic development, including job creation and income generation through economic revitalization and SME development.</p>	<p>8) Youth may be considered as a specific LGP target group interested in inclusive and sustainable decentralization outcomes, including opportunities provided by local economic development and entrepreneurship/SME strengthening.</p>	
<p>12) Involvement of citizens in oversight of local resources’ management is very limited due to insufficient activity of local residents and lack of needed skills/capable CSOs at the local level, according to external experts and 100% of the KIs in CTCs. This contrasts with the opinion of almost 3/5 of</p>		

respondents in the assisted CTCs, who believe that they have more control over management of local resources.		
13) Tools such as communities' "branding" and "identification of community unique features" have been applied recently in some of the visited communities, in order to increase internal community consolidation; their impact is not clear yet.		
<p>14) Other donors' contributions are visible.</p> <ul style="list-style-type: none"> <li>a) Despite the limited size of intervention, DESPRO activities are highly appreciated by national, regional and local authorities due to the lasting presence, complex approach and tangible results.</li> <li>b) U-LEAD has established a wide sub-national network and has substantial potential in: <ul style="list-style-type: none"> <li>i. policy development at the national level;</li> <li>ii. institutional and individual capacity building at various levels of local governance;</li> <li>iii. development and implementation of communication policy in the area of local governance reform.</li> </ul> </li> </ul>		
15) There is a good coordination between DOBRE and DESPRO on the operational level (within the framework of the Council of Donors); LGP coordinates with U-LEAD on a strategic level, but on the operational one but the ET found evidence of U-LEAD regional experts following path of LGP initiatives, without respecting that LGP is already doing that work.		
16) The team found evidence of one-way communication (from authorities to citizens) at national and sub-national levels about the decentralization reform. The effectiveness of selected communication channels and the communication strategy overall are not monitored and assessed, according to KIs in central authorities, LGP sub-grantees responsible for communication component and media experts.	<p>9) There is a lack of a well-coordinated LGP communication strategy with PULSE and DOBRE contributing to information dissemination in an uncoordinated manner, which decreases effectiveness and efficiency of communication campaigns.</p> <p>10) There is a clear lack of two-way strategic communication flow at all levels, and a visible need for completing the communication loop by receiving continuous feedback from citizens.</p>	4) USAID should strengthen the LGP communication strategy. USAID should introduce a mechanism to support more active collaboration between PULSE and DOBRE in LGP's communication strategy, with special attention to the mechanism for monitoring communication effectiveness and efficiency, as well as tools for two-way communication.